

**A Sri Paandi Restaurant Sdn Bhd & Anor v Saraswathy a/p
Kesavan & Ors**

B HIGH COURT (KUALA LUMPUR) — SUIT NO 22IP-36-07 OF 2015
WONG KIAN KHEONG J
19 JUNE 2019

C *Civil Procedure — Pleadings — Parties bound by — Whether claim based on
unpleaded fact ought to be dismissed*

D *Evidence — Documentary evidence — Admissibility of — Reliance on ID
documents — Whether conditions for admissibility of ID documents fulfilled
— SSM records — Whether SSM records fell within the ambit of ss 91 and 92 of
the Evidence Act 1950 — Evidence Act 1950 ss 91 & 92*

E *Trade Marks — Ownership of rights therein — Dispute — Goodwill
— Whether goodwill attached to business or trademark — Whether unregistered
trademarks could be used, licensed, assigned and transmitted — Applicability of
s 20(1)(a) and (b) of the Trade Marks Act 1976 — Whether owner of unregistered
trademark and goodwill who ceased business abandoned his proprietary rights
— Whether statutory defence applied to owner of registered trademark — Trade
Marks Act 1976 ss 20(1)(a), (b) & 40*

G This application concerned the ownership and use of Sri Paandi ('SP')
trademarks. The first plaintiff was the registered proprietor of several
trademarks and the second plaintiff was the registered owner of the SP
trademark. The first defendant was the sole proprietor of the following five
businesses: (a) Sri Paandi PJ (SPPJ); (b) Restoran Sri Paandi Corner (RSPC);
(c) Restoran Sri Paandi Kajang (RSPK); (d) Sri Paandi Music (SP Music); and
(e) Restoran Sri Paandi Gasing (RPSG). The second defendant was a holding
company, the third defendant operated a grocery and the fourth defendant
H operated a restaurant in Puchong. The plaintiffs claimed the following: (i) that
the three assignments signed in India were valid and had absolutely assigned SP
trademarks with their goodwill to the first plaintiff; (ii) the first to fourth
defendants had infringed a trademark belonging to the plaintiffs; and (iii) the
defendants passed off their business as the business of the first plaintiff. The
I defendants filed a counterclaim which claimed for the following: (1) a court
order to expunge the trademarks owned by the plaintiffs from the register of
trademarks ('the register'); (2) a declaration that the defendants were entitled to
continue to use SP trademarks in any form; and (3) a perpetual injunction to
restrain the plaintiffs from interfering with the defendants' use of SP

trademarks. The background of this case was as followed, the SP trademark was first used in 1987 by a restaurant at Brickfields ('SP Brickfields') which consisted of two partners which formed the first partnership. Five partners subsequently joined the first partnership. The business registration of the first partnership expired on 24 January 2004 which was not renewed. On 17 May 2006 a second partnership was formed with the name Sri Paandi Restaurant to carry on the restaurant business of SP Brickfields which consisted of seven partners which included the second plaintiff. All the partners in the second partnership resigned save for the second plaintiff, hence the second plaintiff was presently the sole proprietor of SP Brickfields who still operated a restaurant business.

A

B

C

Held, allowing the action in part and allowing the counterclaim:

- (1) It is trite law that parties are bound by their pleadings. As the plaintiffs' re-amended statement of claim had not pleaded that the defendants had committed a tort of unlawful interference with the plaintiffs' business, the plaintiffs' claim against the defendants was dismissed based on such a tort (see paras 16 & 19).
- (2) As the ID documents had not been classified as Part A or Part B documents under O 34 r 2(2)(d) and (e)(i) of the Rules of Court 2012, to admit ID documents as evidence, the party tendering the ID documents has to satisfy the following two conditions: (a) either: (i) call the makers of the ID Documents so as to admit as evidence the ID documents; or (ii) to rely on any one of the exceptions to the hearsay rule; and (b) to adduce either: (i) primary evidence; or (ii) secondary evidence. As parties tendering the ID documents had not fulfilled the first condition, the court could not consider the contents of the ID documents and the oral evidence adduced concerning the ID documents (see paras 23–24).
- (3) SSM Records do not fall within ss 91 and 92 of the Evidence Act 1950 because SSM Records do not constitute: (a) a contract which has been reduced to the form of a document; (b) a grant or other disposition of property which has been reduced to the form of a document; and (c) a matter which is required by law to be reduced to the form of a document (see para 27).
- (4) Goodwill is attached to a business and not a trademark. The unregistered SP trademarks and SP goodwill were intangible propriety rights which were recognised by Malaysian case law and could be used, licensed, assigned and transmitted. By virtue of the judgment in Suit 1462, the first partnership had the legal and beneficial ownership of the unregistered SP trademarks (see paras 59–60).

D

E

F

G

H

I

- A (5) If an owner of an unregistered trademark and goodwill ceases business, the cessation of business does not in itself means that the owner has abandoned the unregistered trademark and goodwill. It is a question of fact and degree in each case as to whether an owner of an unregistered trademark and goodwill has abandoned his proprietary rights in the
- B unregistered trademark and goodwill (see para 64).
- (6) Section 20(1)(a) and (b) of the TMA apply to goods and did not apply to Class 43 services in this case (see para 99).
- C (7) The defence in s 40(1)(f) of the TMA applies to an owner of a registered trademark. The first second and fourth defendants did not own any SP trademark registered under TMA hence it did not apply. The defendants also could not rely to s 40(1)(dd) of the TMA as the first plaintiff had not consented either expressly or impliedly to the use of the trademarks by the defendants. Section 40(1)(dd) of the TMA is based on consent of the
- D owner of the registered trademark (see para 109).

[Bahasa Malaysia summary]

- E Permohonan ini berkaitan dengan pemilikan dan penggunaan cap dagangan Sri Paandi ('SP'). Plaintiff pertama merupakan tuan punya berdaftar lima perniagaan berikut: (a) Sri Paandi PJ (SPPJ); (b) Restoran Sri Paandi Corner (RSPC); (c) Restoran Sri Paandi Kajang (RSPK); (d) Sri Paandi Music (SP Music); and (e) Restoran Sri Paandi Gasing (RPSG). Defendan kedua merupakan syarikat induk, defendan kedua mengendalikan satu kedai runcit dan defendan keempat mengendalikan satu restoran di Puchong. Plaintiff
- F menuntut yang berikut: (i) tiga penyerahhakkan yang ditandatangani di India adalah sah dan telah secara mutlak menyerahhakkan cap dagangan SP dengan nama baiknya kepada plaintiff pertama; (ii) defendan pertama hingga keempat telah melanggar cap dagangan yang dimiliki oleh plaintiff-plaintif; dan (iii) defendan telah kelirupaan perniagaan mereka sebagai perniagaan plaintiff pertama. Defendan telah memfailkan tuntutan balas yang menuntut perkara
- G berikut: (1) satu perintah mahkamah untuk memadamkan cap dagangan yang dimiliki oleh plaintiff dari daftar cap dagangan ('daftar tersebut'); (2) satu deklarasi bahawa defendan berhak untuk terus menggunakan cap dagangan SP dalam apa-apa bentuk; dan (3) satu injunksi berterusan untuk menghalang
- H plaintiff daripada campur tangan dengan penggunaan defendan terhadap cap dagangan SP. Latar belakang kes adalah seperti berikut, cap dagangan SP pada mulanya digunakan pada tahun 1987 oleh satu restoran di Brickfields ('SP Brickfields') yang terdiri daripada dua rakan kongsi yang membentuk
- I perkongsian pertama. Lima rakan ongsi kemudiannya turut memasuki perkongsian pertama. Pendaftaran perniagaan perkongsian pertama telah luput pada 24 Januari 2004 yang tidak diperbaharui. Pada 17 Mei 2006, perkongsian kedua telah dibentuk dengan nama Sri Paandi Restaurant untuk menjalankan perniagaan restoran SP Brickfields yang terdiri daripada tujuh rakan kongsi termasuk plaintiff kedua. Semua rakan kongsi dalam perkongsian

kedua telah meletak jawatan kecuai plaintif kedua, oleh itu plaintif kedua pada waktu ini adalah pemilik tunggal SP Brickfields yang masih menjalankan perniagaan restoran.

A

Diputuskan, membenarkan sebahagian dariapda tindakan dan membenarkan tuntutan balas:

B

- (1) Ianya adalah undang-undang mantap bahawa pihak-pihak terikat dengan pliding mereka. Atas sebab pernyataan tuntutan plaintif tidak memplid bahawa defendan telah melakukan tort campur tangan salah dengan perniagaan plaintif, tuntutan plaintif terhadap defendan telah ditolak berdasarkan tort tersebut (lihat perenggan 16 & 19).
- (2) Oleh sebab dokumen ID tidak dikelaskan sebagai dokumen Bahagian A atau Bahagian B di bawah A 32 k 2(2)(d) dan (e)(i) Kaedah-Kaedah Mahkamah 2012, untuk menerima dokumen ID sebagai keterangan, pihak yang mengemukakan dokumen ID perlu memenuhi dua prasyarat berikut: (a) sama ada: (i) memanggil pembuat dokumen ID tersebut untuk menerima sebagai keterangan dokumen ID tersebut; atau (ii) untuk bergantung pada salah satu pengecualian peraturan dengan kata; dan (b) untuk mengemukakan sama ada: (i) keterangan primer; atau (ii) keterangan sekunder. Atas sebab pihak-pihak yang mengemukakan dokumen ID tidak memenuhi prasyarat pertama, mahkamah tidak dapat untuk mengimbangkan kandungan dokumen ID dan keterangan lisan yang dikemukakan berkenaan dengan dokumen ID (lihat perenggan 23–24).
- (3) Rekod SSM tidak terjatuh di bawah ss 91 dan 92 Akta Keterangan 1950 kerana rekod SSM tidak membentuk: (a) satu kontrak yang dikurangkan dalam bentuk dokumen; (b) pemberian atau pelupusan harta yang akan dikurangkan ke dalam bentuk satu dokumen; dan (c) satu perkara yang diperlukan oleh undang-undang untuk dikurangkan ke dalam dokumen (lihat perenggan 27).
- (4) Nama baik diletak kepada satu perniagaan dan bukan cap dagangan. Cap dagangan SP yang tidak berdaftar dan nama baik SP adalah hak kewajaran tak ketara yang mana diiktiraf oleh undang-undang kes Malaysia dan boleh digunakan, dilesenkan, diserahkan dan dihantar. Atas sebab penghakiman dalam Guaman 1462, perkongsian pertama mempunyai pemilikan undang-undang dan benefisial cap dagangan SP tidak berdaftar (lihat perenggan 59–60).
- (5) Sekiranya pemilik cap dagangan tidak berdaftar dan nama baik memberhentikan perniagaan, pemberhentian perniagaan tersebut tidak dengan sendirinya bermaksud bahawa pemilik telah meninggalkan cap dagangan tidak berdaftar dan nama baik tersebut. Ianya merupakan persoalan fakta dalam setiap kes sama ada pemilik cap dagangan tidak

C

D

E

F

G

H

I

- A** berdaftar dan nama baik telah meninggalkan hak pemilik dalam cap dagangan tidak berdaftar dan nama baik (lihat perenggan 64).
- (6) Seksyen 20(1)(a) dan (b) TMA terpakai kepada barang dan tidak terpakai kepada perkhidmatan Kelas 43 dalam kes ini (lihat perenggan 99).
- B** (7) Pembelaan dalam s 40(1)(f) TMA terpakai kepada pemilik cap dagangan berdaftar. Defendan pertama, kedua dan keempat tidak memiliki apa-apa cap dagangan SP berdaftar di bawah TMA dan oleh itu tidak terpakai. Defendan juga tidak boleh bergantung kepada s 40(1)(dd) TMA kerana plaintif pertama tidak mengizinkan secara tersurat atau tersirat kepada penggunaan cap dagangan oleh defendan-defendan.
- C** Seksyen 40(1)(dd) TMA adalah berdasarkan izin pemilik cap dagangan berdaftar (lihat perenggan 109).]

D Notes

- For cases on admissibility of documentary evidence, see 7(1) *Mallal's Digest* (5th Ed, 2017 Reissue) paras 1489–1520.
- For cases on dispute, see 12(2) *Mallal's Digest* (5th Ed, 2017 Reissue) paras 2862–2863.
- E** For cases on parties bound by pleadings, see 2(4) *Mallal's Digest* (5th Ed, 2017 Reissue) paras 7633–7645.

Cases referred to

- F** *AG Spalding Brothers v AW Gamage, Ltd* [1914–15] All ER Rep 147, HL (refd)
- Ad-Lib Club Ltd v Granville* [1971] 2 All ER 300, Ch D (refd)
- Asia Commercial Finance (M) Bhd v Kawal Teliti Sdn Bhd* [1995] 3 MLJ 189, SC (refd)
- Chee Pok Choy & Ors v Scotch Leasing Sdn Bhd* [2001] 4 MLJ 346, CA (refd)
- Doretti Resources Sdn Bhd v Fitters Marketing Sdn Bhd & Ors* [2017] MLJU 836; [2017] 5 MLRH 1, HC (refd)
- G** *Doretti Resources Sdn Bhd v Fitters Marketing Sdn Bhd & Ors* [2017] 7 MLJ 112; [2017] 5 MLRH 1, HC (refd)
- Gleeson v J Wippell & Co Ltd* [1977] 1 WLR 510, Ch D (refd)
- Ho Tack Sien & Ors v Rotta Research Laboratorium SpA & Anor (Registrar of Trade Marks, intervener)* [2015] 4 MLJ 166, FC (refd)
- H** *Hyundai Motor Company v Sun Yuen Rubber Manufacturing Co Sdn Bhd* [2017] MLJU 700, HC (refd)
- Industria De Diseno Textil, SA v Edition Concept Sdn Bhd* [2005] 3 MLJ 347, HC (refd)
- I** *KL Engineering Sdn Bhd & Anor v Arab Malaysian Finance Bhd* [1994] 2 MLJ 201, SC (refd)
- KTL Sdn Bhd v Leong Oow Lai* [2014] MLJU 1405, HC (refd)
- Low Chi Yong (t/a Reynox Fertichem Industries) v Low Chi Hong & Anor* [2018] 1 MLJ 175; [2017] 6 MLRA 412, FC (refd)

- Luggage Distributors (M) Sdn Bhd v Tan Hor Teng & Anor* [1995] 1 MLJ 719, CA (refd) **A**
- MI&M Corporation & Anor v A Mohamed Ibrahim* [1964] 1 MLJ 392, FC (refd)
- Mohamad bin S Ahmad & Ors v Lembaga Pengelola Dewan Bahasa dan Pustaka* [2019] 9 MLJ 315; [2019] 2 CLJ 500, HC (refd) **B**
- PP v Datuk Haji Harun bin Haji Idris & Ors* [1977] 1 MLJ 180 (folld)
- Ranjeet Singh Sidhu v Zavarco Plc* [2015] MLJU 638; [2016] 2 CLJ 975, HC (refd)
- Reckitt and Colman Products Ltd v Borden Inc and others* [1990] 1 All ER 873, HL (refd) **C**
- Saiman bin Umar v Lembaga Pertubuhan Peladang and another appeal* [2015] 6 MLJ 492, FC (refd)
- Shizens Cosmetic Marketing (M) Sdn Bhd v LVMH Perfumes And Cosmetics (M) Sdn Bhd* [2019] 1 LNS 258 (refd)
- Sinma Medical Products (M) Sdn Bhd v Yomeishu Seizo Co Ltd & Ors* [2004] 4 MLJ 358; [2004] 3 CLJ 815, CA (refd) **D**
- Sykt Faiza Sdn Bhd & Anor v Faiz Rice Sdn Bhd & Anor and another suit* [2019] 7 MLJ 175, HC (refd)
- Tenaga Nasional Bhd v Api-Api Aquaculture Sdn Bhd* [2015] MLJU 2359; [2015] 3 AMR 811, HC (refd) **E**
- The Registrar of Trade Marks v We&G Du Cros, Limited* [1913] AC 624, HL (refd)
- Tokai Corporation v DKSH Malaysia Sdn Bhd* [2016] MLJU 621, HC (refd)
- X1R Global Holding Sdn Bhd & Anor v Y-Teq Auto Parts (M) Sdn Bhd* [2016] MLJU 1249; [2016] 6 MLRH 41, HC (refd) **F**

Legislation referred to

- Companies Act 2016
- Evidence Act 1872 [IND] **G**
- Evidence Act 1950 ss 32(1)(a), (1)(b), (1)(c), (1)(d), (1)(e), (1)(f), (1)(g), (1)(h), 33, 34, 35, 36, 37, 45(1), 46, 62, 63(a), (b), (c), (d), (e), 64, 65(1)(a), (1)(b), (1)(c), (1)(d), (1)(e), (1)(f), (1)(g), 73A(1), (2), 90A(1), 91, 92, 92(a), 103
- Immigration Regulations 1963 regs 11(1)(ii), 39(b)
- Partnership Act 1932 [IND] **H**
- Partnership Act 1961 s 41
- Penal Code ss 40(2), 107(a), (aa), 109, 193, 199
- Registration of Businesses Act 1956 ss 2, 3(1), 6(1), (4)
- Rules of Court 2012 O 34 r 2(2)(d), (2)(e)(i)
- Specific Relief Act 1950 s 53 **I**
- Stamp Act 1899 [IND]
- Statutory Declarations Act 1960 s 3
- Trade Marks Act 1976 ss 10(1)(d), (2), (2A), (2B)(a), (2B)(b), 14(1)(d), (1)(f), 20, 20(1)(a), (1)(b), (1A)(a), 25(1), 35, 35(1), 36, 37, 38(1)(a),

- A** 40(1)(a), (1)(c), (1)(c)(i), (1)(c)(ii), (1)(dd), (1)(f), 45(1)(a), 46(1), (1)(a), (1)(b), 55, 55(1), (1A), (2), (5), 82(1)
Trade Marks Act 1999 [IND]
Trade Marks Regulations 1997 reg 13B, 13B(a), (b), (c), (d), (e), (f)
- B** *Suaran Singh (V Sri Dev a/l CV Nair, Stephanie Abraham, Amirah Nadiah, Tan Hwee Yee and Pravind a/l Suppiah with him) (KDJ Law) for the plaintiffs. Saha Deva a/l A Arunasalam (Benjamin Thompson, Ajeet Kaur and Hannah bt Ariffin with him) (Saha & Assoc) for the defendants.*
- C** **Wong Kian Kheong J:**
A. INTRODUCTION
- D** [1] This judgment essentially concerns the ownership and use of ‘Sri Paandi’ (‘SP’) trademarks.
- [2] The parties are as follows:
- E** (a) the first plaintiff company (‘the first plaintiff’) is the registered proprietor of the following trademarks under the Trade Marks Act 1976 (‘the TMA’):
- F** (i) trademark with the registration No 05005760 (‘RTM No 760’) for services in Class 43 (services to provide food and drink, catering services, restaurants and self-service restaurants) (‘Class 43 services’). A copy of RTM No 760 is attached to this judgment as ‘Appendix A’. RTM No 760 is registered with effect from 15 April 2005;
- G** (ii) trademark with the registration No 05005761 for Class 43 services (‘RTM No 761’) which is attached to this judgment as ‘Appendix B’. RTM No 761 has effect from 15 April 2005; and
- H** (iii) trademark with the registration No 05005759 for Class 43 services (‘RTM No 759’). A copy of RTM No 759 is attached to this judgment as ‘Appendix C’;
- I** (b) the second plaintiff (‘the second plaintiff’) is the registered owner of SP trademark No 07001388 (‘RTM No 388’) for goods in Class 16 (signboards, letterheads and call cards). Attached to this judgment as ‘Appendix D’ is a copy of RTM No 388;
- (c) the first defendant (‘the first defendant’) is the sole proprietor of the following five businesses:
- (i) Sri Paandi PJ (‘SPPJ’);
- (ii) Restoran Sri Paandi Corner (‘RSPC’);

- (iii) Restoran Sri Paandi Kajang ('RSPK'); A
 - (iv) Sri Paandi Music ('SP Music'); and
 - (v) Restoran Sri Paandi Gasing ('RSPG');
 - (d) the second defendant company ('the second defendant') is a holding company; B
 - (e) the third defendant company ('the third defendant') operates a grocery; and
 - (f) the fourth defendant company ('the fourth defendant') runs a restaurant in Puchong. C
- [3] In this suit, the first and second plaintiffs ('the plaintiffs') claim as follows, among others ('original action'):
- (a) the following three assignments signed in India (three assignments) are valid and have absolutely assigned SP trademarks with their goodwill ('SP goodwill') to the first plaintiff: D
 - (i) deed of assignment ('DA') dated 16 June 2011 between the first plaintiff on the one part and Mr Palani a/l Chithira Velu ('SP8') and Mr Ramu Pillai a/l ('Mr Ramu') on the other part ('first DA'); E
 - (ii) DA dated 30 August 2011 between the first plaintiff on the one part and Madam A Kalyani ('Madam Kalyani'), Mr A Muthukumar s/o Ariyaputhiran ('SP2') and Ms A Ramaamirtham d/o Ariyaputhiran ('Ms Ramaamirtham') on the other part ('second DA'); and F
 - (iii) DA dated 30 August 2011 ('third DA') between the first plaintiff and five of the legal heirs of the estate ('legal heirs (Mr Gnanamuthu's estate)') of Mr C Gnanamuthu a/l A Chinnakkannu ('Mr Gnanamuthu'); G
 - (b) the first to fourth defendants ('the defendants') have infringed RTM Nos 760 and 761 under s 38(1)(a) of the TMA; and
 - (c) the defendants have passed off their business as the business of the first plaintiff. H
- [4] The defendants filed a counterclaim for the following relief, among others ('counterclaim'):
- (a) a court order to expunge RTM Nos 388, 759, 760 and 761 from the Register of Trade Marks ('register'); I
 - (b) a declaration that the defendants are entitled to continue to use SP trademarks in any form; and

- A (c) a perpetual injunction to restrain the plaintiffs from interfering with the defendants' use of SP trademarks.

B. ISSUES

- B [5] The following questions arise in this case:

- C (a) whether the plaintiffs may contend that the defendants have committed a tort of unlawful interference with the first plaintiff's business when such a cause of action has not been pleaded in the plaintiffs' re-amended statement of claim ('RSOC') but is only listed in the plaintiffs' issues to be tried ('plaintiffs' issues');

- D (b) who is the present legal and beneficial owner of RTM Nos 760 and 761? In this regard, what is the effect of Azahar Mohamed J's (as he then was) judgment in Kuala Lumpur High Court Suit No D5-(IP)-22-1462 of 2007 ('Suit 1462') filed by the second defendant against 16 defendants ('judgment (Suit 1462)')? The first plaintiff is the seventh defendant in Suit 1462. This issue concerns whether the two limbs of res judicata doctrine (cause of action estoppel and issue estoppel) apply in this case by reason of the judgment (Suit 1462);

- F (c) has the first plaintiff acquired legal and beneficial ownership of RTM Nos 760 and 761 together with SP goodwill by way of the three assignments? The answer depends on a determination of the following issues:

- (i) whether the three assignments are valid under Indian and Malaysian law;
(ii) if the three assignments are valid, when do the three assignments take effect? Can the three assignments have retrospective effect?

- G (iii) can the first plaintiff give effect to the three assignments by registering RTM Nos 760 and 761 under s 25(1) of the TMA?

- H (iv) based on the effective date of the three assignments, whether the court has a discretionary power pursuant to s 45(1)(a) of the TMA to vary the date when RTM Nos 760 and 761 take effect; and

- (v) whether SP goodwill was extinguished when:

- I (1) the business registration of the first partnership (which initially owned SP trademarks and SP goodwill) ('first partnership') under the Registration of Businesses Act 1956 ('the RBA') was not renewed on 24 January 2004; and/or

- (2) the first partnership was dissolved on 7 June 2005;

(d) whether the court should expunge RTM Nos 388, 759, 760 and 761 from the register under: **A**

(i) s 45(1)(a) of the TMA on the following grounds:

(1) the word SP refer to a geographical name which cannot be registered as a trademark under s 10(1)(d) of the TMA? **B**

(2) the word SP contains a geographical indication with respect to goods not originating in the territory indicated and the use of this indication is of such a nature as to mislead the public as to the true place of origin of the goods (s 14(1)(f) of the TMA); and **C**

(3) the RTM in question is 'identical with or so nearly resembles' a well-known trademark in Malaysia for the same Class 43 services within the meaning of s 14(1)(d) of the TMA; and

(ii) s 46(1)(a) of the TMA on the ground of non-use of the RTM in question; **D**

(e) whether the defendants are entitled to use SP trademarks on any one or more of the following grounds:

(i) the partners of the first partnership ('first partners') had consented or acquiesced to the defendants' use of SP trademarks; **E**

(ii) the plaintiffs have acquiesced to the defendants' continued and uninterrupted use of SP trademarks after the judgment (Suit 1462);

(iii) the plaintiffs are estopped from denying the defendants' use of SP trademarks; **F**

(iv) there is honest concurrent use of SP trademarks by the plaintiffs and defendants within the meaning of ss 20 and/or 35 of the TMA; and

(v) the defendants' use of SP trademarks had resulted in 'local goodwill' in the places where the defendants operate their restaurants ('alleged local goodwill'); **G**

(f) if RTM Nos 760 and 761 are valid, have the defendants infringed these registered trademarks under s 38(1)(a) of the TMA? This issue raises the questions of whether the defendants can rely on any one or more of the defences provided in s 40(1)(a), (c), (dd) and (f) of the TMA; and **H**

(g) whether the defendants have passed off their business as the business of the first plaintiff. **I**

A C. BACKGROUND

B [6] SP trademark was first used in 1987 by a restaurant at Brickfields, Kuala Lumpur ('SP Brickfields') by the first partnership. The first partnership consisted of two partners, namely Mr Kalimuthu a/l Karuppiah ('Mr Kalimuthu') (who resigned from the first partnership on 29 December 1993) and Mr Velu a/l Mathuva Thevar ('Mr Velu') (who resigned from the first partnership on 20 June 2004).

C [7] Five partners joined the first partnership as follows:

- (a) Mr Gnanamuthu;
- (b) Mr Kesavan a/l Govindasamy Naidoo ('Mr Kesavan') (who resigned from the first partnership on 4 January 2001);

D (c) SP8;

(d) Mr Ramu; and

(e) Mr Ariyaputhiran a/l Packirisamy ('Mr Ariyaputhiran').

E [8] The business registration of the first partnership under RBA expired on 24 January 2004 and was not renewed.

F [9] On 17 June 2006, another partnership was formed with the name of 'Sri Paandi Restaurant' ('second partnership') to carry on the restaurant business of SP Brickfields. The second partnership consisted of the following partners:

(a) SP8;

(b) Mr Gnanamuthu;

G (c) Mr Ramu;

(d) Mr Ariyaputhiran;

(e) Mr Arulnathan a/l C Mariadas ('Mr Arulnathan'); and

H (f) Mr Alagarsamy ('SP14'); and

(g) the second plaintiff (SP14's wife).

I [10] All the partners in the second partnership (except for the second plaintiff) had resigned. Hence, the second plaintiff is presently the sole proprietor of SP Brickfields which still operates a restaurant business.

[11] The first plaintiff is incorporated on 28 January 2002. SP14 and Mr Arulnathan are directors and shareholders of the first plaintiff.

[12] The second defendant had registered the following two trademarks ('the second defendant's two RTM's'): **A**

(a) SP trademark registration No 04016701 for services in Class 30 ('RTM No 701'); and

(b) SP trademark registration No 04016702 for services in Class 43. **B**

D. SUIT 1462

[13] In Suit 1462:

(a) the second defendant claimed that 16 defendants (including the first plaintiff), among others: **C**

(i) had infringed the second defendant's two RTM's; and

(ii) had committed a tort of passing off regarding the second defendant's business; and **D**

(b) the first plaintiff counterclaimed for, among others, an order to expunge the second defendant's two RTM's from the register.

[14] It is decided in the judgment (Suit 1462) as follows, among others: **E**

(a) the second defendant's claim is dismissed; and

(b) the first plaintiff's counterclaim is allowed and the second defendant's two RTM's are expunged from the register ('expungement of the second defendant's two RTM's'). **F**

[15] According to the judgment (Suit 1462), among others:

(a) the first partnership was the first user of SP trademark in the course of trade ('first user'). The first partnership was therefore the first owner of SP trademark; and **G**

(b) the second defendant was not the author and first user of SP trademark. Hence, the second defendant was not entitled to apply for the registration of the second defendant's two RTM's. In the circumstances, the expungement of second defendant's two RTM's is ordered. **H**

E. UNPLEADED CAUSE OF ACTION

[16] It is trite law that parties are bound by their pleadings — please see the Federal Court's judgment delivered by Azahar Mohamed FCJ in *Saiman bin Umar v Lembaga Pertubuhan Peladang and another appeal* [2015] 6 MLJ 492, at para [41]. **I**

A [17] The plaintiffs have not pleaded in their RSOC that the defendants have
committed a tort of unlawful interference with the plaintiffs' business. The
plaintiffs' learned counsel, Mr Suaran Singh, however submits that the
plaintiffs' issues have, among others, raised the question of whether the
B defendants have committed a tort of unlawful interference with the plaintiffs'
business. Hence, according to Mr Suaran, such an issue should be decided by
this court.

C [18] The defendants did not agree to the plaintiffs' issues. In fact, the
defendants had filed their own issues to be tried ('the defendants' issues'). The
defendants' issues do not include the question of whether the defendants have
committed a tort of unlawful interference with the plaintiffs' business. In any
event, even if it is assumed that all the parties in this case have agreed to the
issues to be tried ('agreed issues') and the agreed issues contain, among others,
D a question of whether the defendants have committed a tort of unlawful
interference with the plaintiffs' business, nonetheless this court cannot decide
on such a question. This is because a party's failure to plead a cause of action
cannot be rectified by the inclusion of such a cause of action in the agreed
issues. It is decided in *Mohamad bin S Ahmad & Ors v Lembaga Pengelola*
E *Dewan Bahasa dan Pustaka* [2019] 9 MLJ 315; [2019] 2 CLJ 500 at
paras [12] and [13], as follows:

[12] *I am of the following view:*

- F (a) *a plaintiff is mandatorily required by O 18 rr 7(1) and 12(1) of the RC ('two provisions') to plead necessary particulars of the cause(s) of action relied on by the plaintiff against the defendant ('mandatory requirement'). This mandatory requirement is clear from the word 'shall' employed in the two provisions. The mandatory requirement is in the interest of justice — to inform a defendant of the cause(s) of action pleaded by the plaintiff against the defendant and this will in turn enable the defendant to make adequate preparation to defend the suit; and*
- G (b) *O 34 r 2(2)(k) of the RC is not an exception to the mandatory requirement because:*
- H (i) *the two provisions are 'subject to' the certain rules in O 18 of the RC (which are not applicable in this case) but not to O 34 r 2(2)(k) of the RC; and*
- I (ii) *a plaintiff may only add a cause of action in a statement of claim if the plaintiff applies to the court for leave to do so pursuant to O 20 r 5(1) of the RC. If a new cause of action is proposed after the expiry of the relevant period of limitation, a plaintiff has to satisfy the court under O 20 r 5(2) and (5) of the RC that the proposed new cause of action 'arises out of the same facts or substantially the same facts as a cause of action in respect of which relief has already been claimed' — please see the majority judgments of Abdul Hamid Ag LP (as he then was) and Syed Agil Barakbah SCJ in the Supreme Court in Hock Hua Bank Bhd*

v Leong Yew Chin [1987] 1 MLJ 230, at pp 231–233 and 235–236.

A

If O 34 r 2(2)(k) is an exception to the mandatory requirement, this will be an unlawful circumvention of the requirement for a plaintiff to apply for leave to amend the statement of claim to add new cause(s) of action as stipulated in O 20 r 5(1), (2) and (5) of the RC.

B

[13] *Based on the reasons explained in the above para 12, the plaintiffs can only claim for one cause of action as pleaded in the ASOC, namely the board's breach of the contract. The plaintiffs are barred by the two provisions from relying on patent infringement under s 58 of the PA ('patent infringement issue') and copyright infringement under s 36(1) of the CA ('copyright infringement issue').* (Emphasis added.)

C

[19] As RSOC has not pleaded that the defendants have committed a tort of unlawful interference with the plaintiffs' business, I dismiss the plaintiffs' claim against the defendants based on such a tort.

D

F. EVIDENCE

F(1). Hearsay evidence

[20] Many witnesses for the plaintiffs and defendants have adduced oral hearsay evidence (what was heard by witnesses from persons who had not been called to testify ('persons who have not been called to testify')). The plaintiffs and defendants have not relied on the application of any exception to the hearsay rule ('exceptions to hearsay rule') as provided in ss 32(1)(a)–(h), 33–37, 73A(1), (2) and 90A(1) of the Evidence Act 1950 ('the EA').

E

F

[21] I attach no weight to oral hearsay evidence adduced by witnesses in this case. This is because the persons who have not been called to testify cannot be cross-examined and consequently, this court cannot ascertain the truth of the oral hearsay evidence — please see *Tenaga Nasional Bhd v Api-Api Aquaculture Sdn Bhd* [2015] MLJU 2359; [2015] 3 AMR 811, at paras [25]–[27].

G

F(2). Documents marked 'ID'

H

[22] The following documents (not classified as 'Part A' or 'Part B' documents) have been identified in this case by certain witnesses ('ID documents'):

- (a) ID2;
- (b) IDD29 and IDD29A;
- (c) IDD57; and
- (d) IDD59.

I

A [23] As the ID documents have not been classified as Part A or Part B documents under O 34 r 2(2)(d) and (e)(i) of the Rules of Court 2012 ('the RC') respectively, to admit the ID documents as evidence, the party tendering the ID documents has to satisfy the following two conditions:

- B** (a) the first condition ('first condition') is either:
- (i) to call the makers of the ID documents so as to admit as evidence the ID documents; or
 - (ii) to rely on any one of the exceptions to hearsay rule; and
- C** (b) the second condition is to adduce either:
- (i) 'primary evidence' (as understood in s 62 of the EA) of the ID documents in court as required by s 64 of the EA; or
 - (ii) 'secondary evidence' (within the meaning of s 63(a)–(e) of the EA) of the ID documents in the circumstances specified in any one of the paragraphs in s 65(1)(a)–(g) of the EA — please see *CTL Sdn Bhd v Leong Oow Lai* [2014] MLJU 1405, at para [34].

E [24] As the parties tendering the ID documents in this case have not fulfilled the first condition, I cannot consider the contents of the ID documents and the oral evidence adduced concerning the ID documents. I rely on Abdoolcader J's judgment in the High Court in *Public Prosecutor v Datuk Haji Harun bin Haji Idris & Ors* [1977] 1 MLJ 180 at p 183, as follows:

F *It is necessary to refer to certain exhibits which have been put in in the course of these proceedings for identification but have not in fact been proved as they should have been and are accordingly not exhibits in the strict sense and cannot therefore form part of the record in this case, namely, D41 and D43 which were both put in for identification only and which are the audited accounts and annual report of the bank for the years 1973–74 and 1972 respectively. As these two exhibits have not been proved and properly admitted as such, they must in the ultimate analysis be discounted and I shall accordingly disregard references to them and also all oral testimony as well adduced in relation thereto.* (Emphasis added.)

G

H *F(3). Weight of Suruhanjaya Syarikat Malaysia's records ('SSM's records') regarding businesses*

[25] The defendants' learned counsel, Mr Saha Deva a/l A Arunasalam, has relied heavily on SSM's records regarding, among others, the first partnership. According to Mr Saha Deva:

- I** (a) ss 91 and 92 of the EA apply to exclude the admissibility of any evidence which contradicts SSM's records;
- (b) reliance is placed on the Supreme Court's judgment delivered by Mohd Dzaiddin SCJ (as he then was) in *KL Engineering Sdn Bhd & Anor v Arab*

Malaysian Finance Bhd [1994] 2 MLJ 201; and

A

- (c) the court should accept the truth of the contents of SSM's records in preference to oral testimony of witnesses.

[26] Firstly, *KL Engineering* concerns information provided by companies (not businesses) to SSM under the then Companies Act 1965 (now the Companies Act 2016). This case concerns partnership businesses and not companies.

B

[27] Secondly, ss 91 and 92 of the EA do not apply to SSM records. The relevant parts of ss 91 and 92 provide as follows:

C

s 91 *When the terms of a contract or of a grant or of any other disposition of property have been reduced by or by consent of the parties to the form of a document, and in all cases in which any matter is required by law to be reduced to the form of a document, no evidence shall be given in proof of the terms of the contract, grant or other disposition of property or of the matter except the document itself, ...*

D

s 92 *When the terms of any such contract, grant or other disposition of property, or any matter required by law to be reduced to the form of a document, have been proved according to section 91, no evidence of any oral agreement or statement shall be admitted as between the parties to any such instrument or their representatives in interest for the purpose of contradicting, varying, adding to, or subtracting from its terms: ...* (Emphasis added.)

E

SSM records do not fall within ss 91 and 92 of the EA because SSM's records do not constitute:

F

- (a) a contract which has been reduced to the form of a document;
 (b) a grant or other disposition of property which has been reduced to the form of a document; and
 (c) a matter which is required by law to be reduced to the form of a document.

G

[28] SSM records in this case concern, among others, the first partnership. According to s 3(1) of the RBA, the Chief Executive Officer of SSM shall be the Registrar of Businesses ('ROB'). Hence, all records of businesses (including partnerships) are kept by SSM. I reproduce below ss 2 (definition of 'associate of a business'), 6(1) and (4) of the RBA:

H

Section 2

'associate of a business' includes —

I

...

- (b) *every person who is a partner in any business which is the property of a partnership;*

...

- A 6(1) *Save as hereinafter expressly provided, when and so long as any person is recorded in any register (Register) as an associate of a business, it shall be evidence against him or any person claiming through or under him that he was such an associate unless it is proved that such person was not at any material time such an associate and that he was recorded as such in (the Register) through a bona fide mistake, or without his knowledge and in fraud of him.*
- B

...

- C 6(4) *A certificate of registration or a certified copy of any entry in the [Register] in respect of any business shall be prima facie evidence of the truth of the facts stated therein; but, subject to the provisions of this Act, the admission of such evidence shall not prevent any party to a proceeding from proving, that some person who is not registered as such is nevertheless an associate of a business. (Emphasis added.)*

[29] I am of the following view regarding SSM records regarding businesses:

- D (a) by reason of s 6(1) of the RBA, SSM's records shall be evidence against an 'associate of a business' ('X') or any person claiming through X that X is an associate of the business unless X proves that X is not such an associate and X is recorded in SSM's records as an associate of the business:
- E (i) through a bona fide mistake; or
- (ii) without X's knowledge and in fraud of X;
- F (b) according to s 6(4) of the RBA, a certified copy of any entry in SSM's records in respect of any business shall be prima facie evidence of the truth of the facts stated therein but any party in a proceeding can prove that some person who is not registered as an associate of a business, is nevertheless an associate of the business; and
- G (c) RBA does not provide that SSM's records should be preferred over all other evidence, oral and documentary. I am unable to find any Malaysian case which has decided that SSM's records regarding a business under RBA has to be accepted in preference to other oral and documentary evidence. It is up to a trial court to attach any weight to SSM's records after an evaluation of all the evidence adduced in the case.
- H

F(4). The plaintiffs' case

- I [30] The plaintiffs have called 14 witnesses to support the original action. The second plaintiff however chose not to testify in this case. I will discuss in Part F(6) below on the effect of the second plaintiff's election not to give evidence. According to the plaintiffs' witnesses, among others:
- (a) based on the judgment (Suit 1462), the first plaintiff had concluded the three assignments regarding SP trademarks and SP goodwill; and

(b) by virtue of the three assignments, the first plaintiff is now the legal and beneficial owner of SP trademarks and SP goodwill. Hence, the first plaintiff is entitled to claim against the defendants for trademark infringement, passing off and tort of unlawful interference with the plaintiffs' business.

A

B

[31] The following plaintiff's witnesses have testified they are actually confused between the first defendant's restaurant, SPPJ, at Petaling Jaya ('PJ') (which uses SP trademark) and the first plaintiff's restaurant at SP Brickfields (which uses RTM Nos 760 and 761) because these witnesses erroneously believe that SPPJ is a branch of the first plaintiff's restaurant:

C

- (a) Mr Veloo a/l Ramasami ('SP1');
- (b) Mr Mohan a/l Periasamy ('SP6'); and
- (c) Encik Mohammed Jarjees bin Basheer Mohammad ('SP7').

D

F(5). The defendants' case

[32] Six witnesses have testified in support of the defendants. Essentially, the defendants:

E

- (a) dispute the validity of the three assignments and the plaintiffs' right to use RTM Nos 388, 759, 760 and 761; and
- (b) claim that the defendants are entitled to continue to use SP trademarks.

F

F(6). Effect of failure to adduce evidence

[33] The second plaintiff did not adduce any evidence to rebut the defendants' evidence regarding RTM No 388. As such, I have no hesitation to dismiss the second plaintiff's suit against the defendants. I also order the expungement of RTM No 388 from the register under s 45(1)(a) of the TMA.

G

[34] The first plaintiff has elected not to lead any evidence regarding RTM No 759. In the circumstances, I order the removal of RTM No 759 pursuant to s 45(1)(a) of the TMA.

H

F(7). Credibility of factual witnesses

[35] SP14 has given evidence that, among others, the first plaintiff is now the owner of SP trademarks and SP goodwill by reason of the three assignments. SP14 signed the three assignments on behalf of the first plaintiff. I find as a fact that SP14 is a credible witness. This is because SP14's testimony that the first plaintiff is the proprietor of SP trademarks and SP goodwill is supported by the following evidence and reasons:

I

- A** (a) SP8 was one of the first partners. SP8 testified that Mr Ramu and SP8 had signed the first DA in India in favour of the first plaintiff;
- (b) the late Mr Ariyaputhiran (one of the first partners) is SP2's father. SP2's mother is Madam Kalyani while Ms Ramaamirtham is the sister of SP2.
- B** SP2 confirmed that Madam Kalyani, Ms Ramaamirtham and SP2 executed the second DA in India in favour of the first plaintiff;
- (c) Mr Muthu Ramanathan ('SP3') is a practising advocate in India. SP3 is the lawyer for the families of the late Mr Ariyaputhiran and the late Mr Gnanamuthu. According to SP3:
- C** (i) SP3 witnessed the execution of the second DA in India by SP2, Madam Kalyani and Ms Ramaamirtham. SP3 also signed on the second DA as a witness; and
- D** (ii) SP3 witnessed the signing of the third DA in India by all the legal heirs (Mr Gnanamuthu's estate) in favour of the first plaintiff. SP3 also signed on the third DA as a witness of the third DA;
- (d) Mr Andiyappan Veerappan Rajendran ('SP4') is a practising advocate in India. SP4 is also a notary public ('NP') in India. SP4 gave the following evidence:
- E** (i) SP4 had translated the first DA from English to Tamil to Mr Ramu, SP8 and SP14 (as authorised representative of the first plaintiff);
- F** (ii) Mr Ramu, SP8 and SP14 had executed the first DA in the presence of SP4; and
- (iii) SP4 had signed on the first DA as a NP;
- (e) Mr David Gnanamuthu ('SP10') is a son of the late Mr Gnanamuthu and is one of the legal heirs (Mr Gnanamuthu's estate). SP10 confirmed under oath that all the legal heirs (Mr Gnanamuthu's estate), including SP10, signed the third DA in India; and
- G** (f) Mr Kandiah Palanyandy ('SP13') is, among others:
- H** (g) a registered trademark agent;
- (h) the managing director of KASS International Sdn Bhd which specialises in intellectual property ('IP') rights;
- (i) a qualified lawyer in Malaysia;
- I** (j) a member of the American Bar (IP Section);
- (k) a member of the American IP Law Association; and
- (l) a resource personnel for the World IP Office ('WIPO'). SP13 has been previously engaged by WIPO to draft trademark regulations

for Bangladesh.

SP13 testified that SP13 was the first plaintiff's trademark agent in this country. SP13 had advised the first plaintiff through SP14 (who manages the first plaintiff) that:

- (i) in view of the judgment (Suit 1463), the three assignments were required to transfer all IP rights in SP trademarks to the first plaintiff; and
- (ii) the three assignments were also required in anticipation of any objection from the Registrar of Trade Marks ('Registrar').

After SP14 had returned to Malaysia from India with the three assignments, SP14 handed the three assignments to SP13's office for safekeeping.

[36] SP1, SP3, SP4, SP6, SP7, Encik Fesal bin Zakaria (from Digi.Com Bhd), SP13, Mr Thayalan a/l Retanavalu ('SD3') and Cik Nurzalina bt Badruddin (assistant registrar) are independent witnesses. There is no reason to doubt their veracity. Furthermore, SP3, SP4 and SD3 are practising lawyers. SP4 is also a NP. SP13 is an experienced IP practitioner.

[37] I accept SP2's oral evidence regarding the second DA because SP2's testimony on the second DA is supported by SP3.

[38] SP8, one of the first partners, could not testify in Suit 1462 because he was ill at that time. I find as a fact that SP8 is a credible witness because he is able to give detailed evidence regarding the business operation of the first partnership. More importantly, SP8's testimony regarding the first DA is corroborated by SP4. Any perceived inconsistency in SP8's evidence is understandable in view of his advanced age (SP8 was about 73 years old when he gave evidence in this case). SP8's evidence could only be credibly rebutted by the other surviving first partner, Mr Ramu. The fact that Mr Ramu executed the first assignment together with SP8, supported SP8's credibility.

[39] SP10's evidence regarding the third DA is accepted by this court because such evidence is supported by SP3. Furthermore, SP10 has given evidence in Suit 1462 and such evidence has not been proven to be inconsistent with his testimony in this case.

[40] The first defendant is Mr Kesavan's daughter. It is this court's finding of fact that the first defendant is not a witness of truth. This decision is premised on the following evidence and reasons:

- A (1) the first defendant is not gullible simpleton. On the contrary, the first defendant is familiar with the law because she has worked as a conveyancing clerk in a law firm for nine years (from 1992–2001);
- B (2) in support of the second defendant’s application to register RTM No 701, the first defendant affirmed a statutory declaration (‘SD’) on 28 October 2004 before a commissioner for oaths (‘the first defendant’s SD’). The first defendant’s SD stated that the second defendant was the ‘bona fide proprietor’ of SP trademark. The first defendant’s SD was false because as decided in the judgment (Suit 1462), the first
- C partnership (not the second defendant) was the first user and was therefore the owner of SP trademark. When a person affirms a false SD, the person commits an offence within the meaning of s 3 of the Statutory Declarations Act 1960 (‘the SDA’) read with ss 193 and 199 of the Penal Code (‘the PC’).
- D I reproduce below s 3 of the SDA, ss 193 and 199 of the PC:
- s 3 of the SDA
- Declarations made by virtue of the provisions (of the SDA) shall be deemed to be such declarations as are referred to in sections 199 and 200 (PC).*
- E s 193 of the PC
- Whoever intentionally gives false evidence in any stage of a judicial proceeding, or fabricates false evidence for the purpose of being used in any stage of a judicial proceeding, shall be punished with imprisonment for a term which may extend to seven years, and shall also be liable to fine; and
- F *whoever intentionally gives or fabricates false evidence in any other case, shall be punished with imprisonment for a term which may extend to three years, and shall also be liable to fine.*
- s 199 of the PC
- G *Whoever, in any declaration made or subscribed by him, which declaration any Court, or any public servant or other person, is bound or authorized by law to receive as evidence of any fact, makes any statement which is false, and which he either knows or believes to be false or does not believe to be true, touching any point material to the object for which the declaration is made or used, shall be punished in the same manner as if he gave false evidence.* (Emphasis added.)
- H
- The first defendant has nine years’ work experience in a law firm and cannot claim ignorance of criminal liability for affirming a false SD;
- I (3) in answer to question No 47 of the first defendant’s witness statement (‘WSSD2’), the first defendant has relied on a share sale agreement dated 7 September 2006 between SP10 and Mr Gnanamuthu (one of the first partners) on the one part and the first defendant and Mr Sinnaiah a/l Alagan (‘SD5’) on the other part (‘SSA’). According to the SSA, SP10 and Mr Gnanamuthu had sold all their shares in Restoran

Sri Paandi PJ Sdn Bhd ('RSPPJ Co') to the first defendant and SD5. Clause 2.1 SSA stated that the purchase price of RM450,000 ('alleged consideration') had already been paid. SP10 denied signing the SSA and also denied receipt of the alleged consideration. The defendants tendered IDD29 and IDD29A regarding the written acknowledgement of receipt of the alleged consideration by SP10 and Mr Gnanamuthu. The defendants however did not prove the making of IDD29 and IDD29A. Hence, this court cannot consider the contents of IDD29 and IDD29A — please see the above Part F(2). The first defendant has alleged a particular fact regarding the validity and effect of SSA. Accordingly, the first defendant has the burden under s 103 of the EA to prove the particular fact concerning the validity of SSA. If the first defendant and SD5 had indeed paid the alleged consideration (a substantial sum), there was no reason why the first defendant and SD5:

- (a) could not adduce any documentary evidence to prove the payment of the alleged consideration. It is to be noted that proviso (a) to s 92 of the EA allows the admissibility of extrinsic evidence to prove the consideration for an agreement; and
- (b) did not file a suit for an order of specific performance of the SSA against SP10 and the late Mr Gnanamuthu's estate.
The dubious circumstances regarding the execution of SSA by SP10 and the payment of the alleged consideration, severely undermine the credibility of the first defendant and SD5; and
- (4) as submitted in sub-paras 22.1–22.9 of the plaintiffs' first written submission ('plaintiffs' first submission'), there are material contradictions between:
 - (a) WSSD2 and SSM's records;
 - (b) WSSD2 and the second defendant's answers during cross-examination by Mr Suaran; and
 - (c) the second defendant's evidence given in Suit 1462 and her answers when cross-examined by Mr Suaran.

[41] SD5 is the first defendant's husband. I find as a fact that SD5 is not a credible witness because:

- (a) the questionable execution of SSA and the non-payment of the alleged consideration has cast a serious doubt on SD5's veracity — please see the above sub-para 40(3);
- (b) Mr Veluthevar Subramaniam ('SD4') is employed by the fourth defendant and reports only to SD5. SD4's visit pass (temporary employment), exh P45, allows SD4 to work as a cook in 'Restoran Sri

- A Paandi Gasing', No 15, Jalan Chantek 5/13, PJ ('SD4's visit pass'). However, SD4 has breached and continued to breach SD4's visit pass by working at 'Sri Paandi Puchong' ('SP Puchong') as a cashier. This means SD4 has committed an offence ('SD4's offence') under regs 11(1)(ii) and 39(b) of the Immigration Regulations 1963 ('the IR').
- B Regulations 11(1)(ii) and 39(b) of the IR provide as follows:
- 11 Visit Pass.
- (1) *A Visit Pass may be issued by the Controller to any person other than a prohibited immigrant who satisfies the Controller that he wishes to enter the Federation —*
- C ...
- (ii) *for temporary employment;*
- D 39 Penalties.
- Any person who without reasonable cause:*
- E ...
- (b) *contravenes or fails to comply with any condition imposed in respect of, or instruction endorsed on, any Pass, Permit or Boundary Pass,*
- shall be guilty of an offence against these Regulations and shall be liable on conviction to a term of imprisonment not exceeding six months or to a fine not exceeding one thousand dollars or to both such imprisonment and fine. (Emphasis added.)*
- F SD4 testified that SD5 had asked him to work as a cashier in SP Puchong. In other words, SD5 has abetted and continued to abet in the commission of SD4's offence within the meaning of ss 40(2), 107(a), (aa) and 109 of the PC. Sections 40(2), 107(a), (aa) and 109 of the PC read as follows:
- G 40(2) *In Chapter IV and in sections 71, 109, 110, 112, 114, 115, 116, 117, 187, 194, 195, 203, 211, 213, 214, 221, 222, 223, 224, 225, 327, 328, 329, 330, 331, 347, 348, 388, 389 and 445, the word 'offence' denotes a thing punishable under this Code or under any other law for the time being in force.*
- H 107 *A person abets the doing of a thing who —*
- (a) *instigates any person to do that thing; (aa) commands any person to do that thing;*
- I ...
109. *Whoever abets any offence shall, if the act abetted is committed in consequence of the abetment, and no express provision is made by this Code for the punishment of such abetment, be punished with the punishment provided for the offence. (Emphasis added.)*

- It is difficult to believe SD5 who has abetted and continues to abet in the commission of SD4's offence; **A**
- (c) as submitted in sub-paras 25.1 and 25.2 of the plaintiffs' first submission, SD5's evidence materially contradicted his own marriage certificate (exh D55) and the second defendant's testimony respectively; **B**
and
- (d) SD5 is the second defendant's husband and is not an impartial witness in this case.
- [42] I cannot accept SD4 as an honest witness because SD4 has committed and continues to commit SD4's offence. Furthermore, SD4 is an employee of the fourth defendant who reports only to SD5. Hence, SD4 is not an independent witness in this case. **C**
- F(8). Credibility of expert witnesses* **D**
- [43] The defendants have called a practicing advocate in India, Mr Kilari Ravindranath s/o Shri Bhyrava Naidu ('SD1'), to give expert evidence that the three assignments are not valid under Indian law. The plaintiffs however adduced an expert opinion from Mr Rathna Pravin Kumar Sundaravadivelu ('SP12'), a practising advocate in India. SP12 is of the expert opinion that the three assignments are lawful in India. **E**
- [44] Regarding Indian law and the validity of the three assignments under Indian law, the court may accept expert opinions under ss 45(1) and 46 of the EA — please see *Ranjeet Singh Sidhu v Zavarco Plc* [2015] MLJU 638; [2016] 2 CLJ 975, at para [42](g). **F**
- [45] I find as a fact that SP12 is a credible expert on Indian law and I accept his expert evidence regarding the validity of the three assignments under Indian law. Firstly, SP12's two affidavits (exhs P33 and P34) have given cogent reasons (based on the Indian Trade Marks Act 1999 ('the Indian TMA'), Indian Partnership Act 1932 ('the Indian PA'), Indian Stamp Act 1899 ('the Indian SA') and relevant Indian cases) why the three assignments are valid under Indian law. Furthermore, SP12 is able to answer (with convincing reasons) all questions posed to him during cross-examination by Mr Saha Deva. **G**
H
- [46] I am not able to find as a fact that SD1 is a credible expert on Indian law. Nor can I accept SD1's expert view that the three assignments are invalid under Indian law. This decision is premised on the following evidence and reasons: **I**
- (a) SD1's two affidavits (exhs D35 and D36) merely stated that the three assignments are invalid under Indian law without giving any legal basis or reasons;

- A (b) when cross-examined by Mr Suaran, SD1 was evasive on many occasions. In fact, I had to remind SD1 to answer Mr Suaran's questions;
- (c) during cross-examination, SD1 initially referred to the Indian Evidence Act 1872 ('the EA (India)') but he later admitted that he was 'not sure' whether EA (India) applied to the three assignments!
- B (d) SD1 boldly alleged that the three assignments were not in accordance with the laws of Tamil Nadu (a state in India) but he could not 'remember' which particular law of Tamil Nadu! and
- C (e) when SD1 could not answer Mr Suaran's question on the alleged non-compliance with the Indian SA by the three assignments, SD1 asked permission from the court to refer to a book on the Indian SA ('book') which was previously referred to by SP12 during SP12's cross-examination (SP12 had testified before SD1). The book was owned by SP12. When SD1 gave evidence, SP12 was seated next to Mr Suaran on the counsel's table and assisted Mr Suaran's cross-examination of SD1 by referring to, among others, the book. The above incident clearly shows that SD1 does not possess the necessary expertise on Indian SA.
- D
- E

[47] Based on the evidence and reasons stated in the above paras 45 and 46, based on SP12's expert view, I have no hesitation to find that the three assignments are valid under Indian law.

F G. EFFECT OF JUDGMENT (SUIT 1462)

G(1). Two limbs of res judicata doctrine

- G [48] The second defendant did not appeal to the Court of Appeal against the judgment (Suit 1462). The first plaintiff initially appealed to Court of Appeal against the judgment (Suit 1462) but subsequently withdrew this appeal. As such, the judgment (Suit 1462) is final.

- H [49] Once a court has finally decided a case ('first case'), the decision in the first case *may* affect subsequent cases by way of an application of the doctrine of res judicata. In the Supreme Court case of *Asia Commercial Finance (M) Bhd v Kawal Teliti Sdn Bhd* [1995] 3 MLJ 189 at pp 197–198, 198 and 199–200, Peh Swee Chin FCJ has explained that the doctrine of res judicata consists of two limbs (two limbs) as follows:
- I

- (a) the principle of cause of action estoppel applies to bar a person ('Y') and/or Y's 'privy' from filing any action after the first case ('subsequent case') based on a cause of action which has been decided in the first case ('first limb'); and

- (b) issue estoppel principle operates to prevent Y and/or Y's privy from raising any issue in the subsequent case which:
- (i) has been raised in the first case; or
 - (ii) can be raised with reasonable diligence in the first case ('second limb').

A

B

G(2). The second defendant and its privies

[50] In *Doretti Resources Sdn Bhd v Fitters Marketing Sdn Bhd & Ors* [2017] 7 MLJ 112; [2017] 5 MLRH 1 at para [15], I have followed Megarry VC's decision in the English High Court case of *Gleeson v J Wippell & Co Ltd* [1977] 1 WLR 510 at p 514, that a person is a 'privy' of another person if there is a relationship between those persons by blood, title or interest.

C

[51] The second defendant had filed Suit 1462 and is therefore bound by the two limbs regarding the judgment (Suit 1462) in this case.

D

[52] I am of the view that the first, third and fourth defendants are privies of the second defendant by reason of their commercial interest in the use of SP trademarks and SP goodwill. In fact, the first defendant testified in Suit 1462 in support of the second defendant. As such, in respect of the judgment (Suit 1462), the first, third and fourth defendants are also bound by the two limbs as privies of the second defendant.

E

G(3). Is it just to apply res judicata doctrine in this case?

F

[53] Res judicata doctrine is based on case law and should not be applied indiscriminately so as to cause injustice — please see Gopal Sri Ram JCA's (as he then was) judgment in the Court of Appeal case of *Chee Pok Choy & Ors v Scotch Leasing Sdn Bhd* [2001] 4 MLJ 346 at pp 356–358.

G

[54] There is no injustice in the application of the two limbs (based on the judgment (Suit 1462)) in this case. In fact, it will be unjust to the first plaintiff if the two limbs are not applied regarding the judgment (Suit 1462). This is because pursuant to judgment (Suit 1462), the first plaintiff has expended time, effort and expense in concluding the three assignments in India. It was open to the defendants to have negotiated and obtained the assignments of SP trademarks and SP goodwill from SP8 (one of the first partners), Mr Ramu and the lawful beneficiaries of the deceased first partners ('beneficiaries') but the first plaintiff 'beat the defendants to it'.

H

I

A *G(4). Application of two limbs in this case*

[55] I am of the view that the two limbs (based on judgment (Suit 1462)) apply in this case as follows:

- B** (1) the second defendant is barred by the first limb from contending that the second defendant:
- C** (a) is the legal and beneficial owner of SP trademarks;
- (b) has a right to use SP trademarks; and
- D** (c) has acquired SP goodwill. If the second defendant cannot acquire SP goodwill, *a fortiori* the second defendant cannot acquire alleged local goodwill;
- (2) the first, third and fourth defendants (as privies of the second defendant) are estopped by the second limb from alleging that the first, third and fourth defendants:
- E** (a) have a right to use SP trademarks; and
- (b) have acquired SP goodwill or alleged local goodwill; and
- F** (3) the following contentions can be raised with reasonable diligence by the second defendant in Suit 1462:
- G** (a) when the first partnership was dissolved ('dissolution'), the unregistered SP trademark had ceased to be an 'adjunct' of SP goodwill and had therefore 'ceased to exist as a trademark' at Common Law;
- (b) upon dissolution, SP goodwill was acquired by the second partnership; and
- H** (c) the first partners had consented or acquiesced to the use of SP trademarks by the defendants.
- I** All the above contentions could have been raised with reasonable diligence by the second defendant in Suit 1462 but were not raised because the second defendant was attempting to enforce the second defendant's two RTM's in the Suit. Hence, the second defendant is now barred by the second limb from raising the above contentions in this case. Furthermore, the first, third and fourth defendants (as privies of the second defendant) are also estopped by the second limb from relying on the above contentions in this case. All the above contentions fly in the face of the judgment (Suit 1462) and constitute an afterthought to defeat unlawfully the three assignments and the original action by the first plaintiff.

H. THREE ASSIGNMENTS

A

H(1). Whether three assignments are valid under Indian law

[56] As explained in the above Part F(8), I have accepted the expert view of SP12 and rejected SD1's expert opinion. Hence, the three assignments are valid under Indian law.

B

H(2). Are three assignments valid under Malaysian law?

[57] Mr Saha Deva has contended that the three assignments are invalid under Malaysian law on the following grounds:

C

- (a) the consent of all the first partners, including Mr Kalimuthu and Mr Velu, was required for the three assignments to be valid;
- (b) the SP trademark used by the first partnership was not registered under TMA and could not be assigned under Common Law without SP goodwill. The first partnership did not assign SP trademarks and SP goodwill to any party. Hence, any 'bare license' (right to use the unregistered SP trademark without an assignment of SP goodwill) granted by the first partnership to any party to use the unregistered SP trademark was invalid at Common Law;
- (c) dissolution occurred when the business registration of the first partnership under RBA was not renewed on 24 January 2004. Upon dissolution:
 - (i) the unregistered SP trademark had ceased to be an 'adjunct' of SP goodwill and had therefore 'ceased to exist as a trademark' at Common Law; and
 - (ii) SP goodwill had been extinguished;
- (d) SP goodwill extinguished upon the death of some of the first partners; and
- (e) the three assignments are contrary to s 55(1), (1A) and (5) of the TMA.

D

E

F

G

H

[58] Firstly, the TMA does not prohibit the creation and use of unregistered trademarks on goods and services ('goods/services') in the course of business. Section 82(1) of the TMA however bars any suit based on an infringement of an unregistered trademark.

I

[59] Secondly, goodwill is attached to a business and not a trademark — please see the judgment of Lord Parker in the House of Lords case of *AG Spalding Brothers v AW Gamage, Ltd* [1914–15] All ER Rep 147 at p 150.

A [60] The unregistered SP trademarks and SP goodwill are intangible proprietary rights which are recognised by Malaysian case law and can be used, licensed, assigned and transmitted (through succession and inheritance). By virtue of the judgment (Suit 1462), the first partnership has the legal and beneficial ownership of the unregistered SP trademarks.

B [61] Thirdly, Mr Kalimuthu, Mr Velu and Mr Kesavan had resigned as first partners and they could not therefore claim any proprietary right in the unregistered SP trademarks and SP goodwill. Hence, I reject Mr Saha Deva's submission that the consent of Mr Kalimuthu, Mr Velu and Mr Kesavan is required for the three assignments.

C [62] Fourthly, the first partnership had no written partnership agreement. When the first partnership was dissolved, the four remaining first partners on the date of dissolution, namely, Mr Gnanamuthu, SP8, Mr Ramu and Mr Ariyaputhiran ('four remaining first partners'), would be the joint owners of the unregistered SP trademarks and SP goodwill by virtue of s 41 of the Partnership Act 1961 ('the PA'). I reproduce below s 41 of the PA:

D 41 Rights of partners as to application of partnership property

E *On the dissolution of a partnership, every partner is entitled, as against the other partners in the firm and all persons claiming through them in respect of their interests as partners, to have the property of the partnership applied in payment of the debts and liabilities of the firm, and to have the surplus assets after such payment applied in payment of what may be due to the partners respectively, after deducting what may be due from them as partners to the firm; and for that purpose any partner or his representatives may, on*

F *the termination of the partnership, apply to the court to wind up the business and affairs of the firm. (Emphasis added.)*

G [63] Fifthly, upon the death of Mr Gnanamuthu and Mr Ariyaputhiran, their interest in the unregistered SP trademarks and SP goodwill was transmitted to the beneficiaries.

H [64] Sixthly, if an owner of an unregistered trademark and goodwill ceases business, the cessation of business does not in itself means that the owner has abandoned the unregistered trademark and goodwill. It is a question of fact and degree in each case as to whether an owner of an unregistered trademark and goodwill has abandoned his proprietary rights in the unregistered trademark and goodwill. I cite Pennycuick VC's judgment in United Kingdom's ('UK') High Court case of *Ad-Lib Club Ltd v Granville* [1971] 2 All ER 300 at p 303 as follows:

It seems to me clear on principle and on authority that where a trader ceases to carry on his business he may nonetheless retain for at any rate some period of time the goodwill attached to that business. Indeed it is obvious. He may wish to re-open the business or he may wish to sell it. It further seems to me clear in principle and on authority that so long

as he does retain the goodwill in connection with his business he must also be able to enforce his rights in respect of any name which is attached to that goodwill. It must be a question of fact and degree at what point in time a trader who has either temporarily or permanently closed down his business should be treated as no longer having any goodwill in that business or in any name attached to it which he is entitled to have protected by law. (Emphasis added.)

A

B

[65] There was no evidence that upon dissolution, the four remaining first partners had abandoned their proprietary right in the unregistered SP trademarks and SP goodwill. On the contrary, SP8's evidence proved that SP8 had intended for the first plaintiff to carry on using the unregistered SP trademarks and SP goodwill. More importantly, SP8, Mr Ramu and the beneficiaries had executed the three assignments. The three assignments constituted cogent evidence that there had not been any abandonment of the unregistered SP trademarks and SP goodwill. Accordingly, I am not able to accede to the defendants' submission that:

C

D

- (a) the unregistered SP trademarks had ceased to exist at common law upon dissolution; and
- (b) SP goodwill had been extinguished.

E

[66] Seventhly, I am of the view that the three assignments have absolutely assigned to the first plaintiff the unregistered SP trademarks and SP goodwill. This is clear from:

- (a) cl 1 of the first assignment; and
- (b) recital F and G of the second and third assignments. It is trite law that the court may refer to a recital in an agreement in the construction of the agreement — please see the Court of Appeal's judgment delivered by Gopal Sri Ram JCA in *Luggage Distributors (M) Sdn Bhd v Tan Hor Teng & Anor* [1995] 1 MLJ 719 at pp 746–747.

F

G

I cannot accept the defendants' contention that the beneficiaries have only assigned their share of the unregistered SP trademarks without SP goodwill. There is no reason why the beneficiaries would wish to keep SP goodwill only (without SP trademarks).

H

[67] Eighthly, to mount a lawful challenge against the legality of the three assignments, the defendants should have cited SP8, Mr Ramu and the beneficiaries as co-defendants in the defendants' counterclaim.

The defendants' failure to do the above had breached the second rule of natural justice by depriving SP8, Mr Ramu and the beneficiaries of their right to support the validity of the three assignments. I have not overlooked the fact that SP2, SP8 and SP10 have testified in this case. There is a vast difference between an assignor of an assignment who appears in court as a witness to give

I

A evidence regarding the assignment and an assignor who has been sued personally regarding the alleged invalidity of the assignment.

[68] The relevant parts of s 55 of the TMA provide as follows:

- B 55 *Assignment and transmission of trade marks*
- (1) *Subject to this section, a registered trade mark shall be assignable and transmissible with or without the goodwill of the business concerned in the goods or services in respect of which the trade mark is registered or in part of the goods or services.*
- C (1A) *Subsection (1) shall have effect in the case of an unregistered trade mark used in relation to any goods or services as it has effect in the case of a registered trade mark registered in respect of any goods or services, if at the time of the assignment or transmission of the unregistered trade mark it is or was used in the same business as a registered trade mark, and if it is or was assigned or transmitted at the same time and to the same person as that registered trade mark and in respect of goods or services all of*
- D *which are goods or services in relation to which the unregistered trade mark is or was used in that business and in respect of which that registered trade mark is or was assigned or transmitted.*
- (2) *Notwithstanding subsection (1), an assignment of a registered trade mark without goodwill whether before or after the commencement of this Act is invalid if the trade*
- E *mark has not at any time before the assignment been in use in good faith in Malaysia by the assignor or his predecessor in title except that this subsection does not apply where —*
- (a) *the trade mark was registered with the intention that it shall be assignable to a body corporate yet to be formed and the trade mark has been assigned; or*
- F (b) *the trade mark was registered with the intention that a person shall be permitted to use it as a registered user and such registered user has been registered in respect of the trade mark within six months after the registration of the trade mark and has used that trade mark within that period.*
- ...
- G (5) *Where an assignment in respect of any goods or services of a trade mark which is at the time of the assignment used in a business in those goods or services is made otherwise than in connection with the goodwill of that business, the assignment shall not be deemed to have taken effect unless the assignment has been advertised in the prescribed manner and the application for the assignment without goodwill, accompanied by the*
- H *advertisement, has been sent to the Registrar. (Emphasis added.)*

[69] I am not able to accept the defendants' submission that the three assignments have breached s 55(1), (1A) and (5) of the TMA because:

- I (a) due to the evidence and reasons stated in the above para 66, the three assignments had absolutely assigned both the unregistered SP trademarks and SP goodwill to the first plaintiff. Section 55(2) and (5) of the TMA (assignment of trademarks without goodwill) cannot therefore apply to the three assignments;

- (b) s 55(1) of the TMA applies only to registered trademarks and not to unregistered trademarks such as SP trademarks; and
- (c) the TMA only has territorial effect. The three assignments have been made in India. Hence, s 55 of the TMA does not apply to the three assignments.

A

B

[70] Lastly, all the cases cited by Mr Saha Deva can be easily distinguished on any one or more of the following grounds:

- (a) the second defendant has filed Suit 1462 which has been tried and the judgment (Suit 1462) attracts the application of the two limbs of res judicata — please see the above Part G(4);
- (b) the first plaintiff has entered into the three assignments in India which are valid under the law of India and Malaysia; and/or
- (c) SP8, one of the first partners, testified in support of the original action and against the counterclaim.

C

D

I should add that the defendants have relied on many passing off cases which do not apply to trademarks — please see *Shizens Cosmetic Marketing (M) Sdn Bhd v LVMH Perfumes And Cosmetics (M) Sdn Bhd* [2019] 1 LNS 258 at para [24].

E

[71] Based on the above evidence and reasons, I have no hesitation to decide that the three assignments are valid under Malaysian law. Consequently, the three assignments have assigned absolutely the legal and beneficial ownership of SP trademarks and SP goodwill from SP8, Mr Ramu and the beneficiaries to the first plaintiff.

F

H(3). When do three assignments take effect?

G

[72] I am of the view the three assignments cannot have retrospective effect. The three assignments are only effective on *30 August 2011* when the entire interest in SP trademarks and SP goodwill has been absolutely assigned by SP8, Mr Ramu and the beneficiaries to the first plaintiff.

H

H(4). Effect of three assignments

[73] Section 25(1) of the TMA provides as follows:

s 25 Registration

I

(1) *Any person claiming to be the proprietor of a trade mark used or proposed to be used by him may make application to the Registrar for the registration of that mark in the Register in the prescribed manner.* (Emphasis added.)

A [74] By reason of the three assignments, the first plaintiff is the legal and beneficial proprietor of SP trademarks and SP goodwill. Accordingly, the first plaintiff is entitled to apply to register RTM Nos 760 and 761 under s 25(1) of the TMA.

B H(5). *Whether court may vary effective date of RTM Nos 760 and 761 under s 45(1)(a) of the TMA*

[75] Section 45(1)(a) of the TMA reads as follows:

C 45 Rectification of the Register

(1) Subject to the provisions of this Act —

D (a) *the Court may on the application in the prescribed manner of any person aggrieved by the non-insertion in or omission from the Register of any entry or by any entry made in the Register without sufficient cause or by any entry wrongfully remaining in the Register, or by any error or defect in any entry in the Register, make such order for making, expunging or varying such entry as it thinks fit; ...* (Emphasis added.)

E [76] Firstly, the defendants are aggrieved by RTM Nos 760 and 761 within the meaning of s 45(1)(a) of the TMA because the defendants are now facing an action by the first plaintiff for an infringement of RTM Nos 760 and 761 under s 38(1)(a) of the TMA — please see *Doretti Resources Sdn Bhd v Fitters Marketing Sdn Bhd & Ors* [2017] MLJU 836; [2017] 5 MLRH 1 at para [29](2). As such, the defendants have the locus standi to apply to court to expunge RTM Nos 760 and 761 from the Register.

G [77] The first plaintiff has registered RTM Nos 760 and 761 with effect from 15 April 2005. As explained in the above Part H(3), the first plaintiff cannot be the legal and beneficial owner of RTM Nos 760 and 761 before 30 August 2011. Mr Saha Deva has submitted that the first plaintiff is not entitled to register RTM Nos 760 and 761 on 15 April 2005. I agree but once the three assignments take effect on 30 August 2011, the first plaintiff becomes the legal and beneficial owner of RTM Nos 760 and 761.

H [78] The following cases have held that the court has a discretionary power under s 45(1)(a) of the TMA to vary the date when a registered trademark takes effect:

- I (a) the Federal Court's judgment delivered by Zulkefli Makenuddin CJ (Malaya) (as he then was) in *Ho Tack Sien & Ors v Rotta Research Laboratorium SpA & Anor (Registrar of Trade Marks, intervener)* [2015] 4 MLJ 166 at para [27]; and
- (b) the decision of Ramly Ali J (as he then was) in the High Court in

Industria De Diseno Textil, SA v Edition Concept Sdn Bhd [2005] 3 MLJ 347 at para [17].

A

[79] As the three assignments are only effective from 30 August 2011, it is only just for this court to exercise its discretion under s 45(1)(a) of the TMA to vary the effective date of RTM Nos 760 and 761 in the Register to commence on 30 August 2011 (not 15 April 2005).

B

I. WHETHER COURT SHOULD EXPUNGE RTM NOS. 760 AND 761 FROM REGISTER

C

I(1). Can the first plaintiff rely on ss 36 and 37 of the TMA?

[80] Section 36 of the TMA provides that the fact that the first plaintiff is registered as the proprietor of RTM Nos 760 and 761 'shall be prima facie evidence' of the validity of the original registration of RTM Nos 760 and 761. Hence, the defendants have the burden to satisfy the court to exercise its discretion to expunge RTM Nos 760 and 761 from the Register.

D

[81] The effective date of RTM Nos 760 and 761 is 30 August 2011 — please see the above Part H(3). The counterclaim is filed on 22 February 2016. RTM Nos 760 and 761 only have effect for a period less than seven years from 30 August 2011 to the date of the filing of the counterclaim. Consequently, the first plaintiff cannot rely on s 37 of the TMA.

E

I(2). Whether first plaintiff had obtained registration of RTM Nos 760 and 761 by fraud

F

[82] I am not able to accept Mr Saha Deva's contention that the first plaintiff has obtained the registration of RTM Nos 760 and 761 by fraud because:

G

- (a) the first plaintiff can lawfully register RTM Nos 760 and 761 by reason of the three assignments which are valid under Indian and Malaysian law — please refer to the above Parts H(1) and H(2);
- (b) SP8, one of the first partners, had testified that the first partnership had intended for the first plaintiff to use SP trademarks and SP goodwill;
- (c) I have found as a fact that the plaintiffs' witnesses, including SP8, SP12 and SP14, are witnesses of truth (please see the above paras 35–39 and 45). On the contrary, I do not find the first defendant, SD1, SD4 and SD5 to be witnesses of truth (please refer to the above paras 40–42 and 46); and
- (d) in any event, I find as a fact that the defendants have failed to discharge the onus to prove on a balance of probabilities that the first plaintiff has obtained the registration of RTM Nos 760 and 761 by fraud.

H

I

A *I(3). Should court exercise power under s 45(1)(a) of the TMA?*

[83] Sections 10(1)(d), 14(1)(d) and (f) of the TMA provide as follows:

B 10(1) *In order for a trade mark (other than a certification trade mark) to be registrable, it shall contain or consist of at least one of the following particulars:*

...

(d) *a word having no direct reference to the character or quality of the goods or services not being, according to its ordinary meaning, a geographical name or surname; ...*

C 14(1) *A mark or part of a mark shall not be registered as a trade mark —*

...

(d) *if it is identical with or so nearly resembles a mark which is well known in Malaysia for the same goods or services of another proprietor;*

D ...

(f) *if it contains or consists of a geographical indication with respect to goods not originating in the territory indicated, if use of the indication in the mark for such goods in Malaysia is of such a nature as to mislead the public as to the true place of origin of the goods; ... (Emphasis added.)*

E

[84] The defendants contend that SP name is a common name in India which refers to a famous Hindu temple in Madurai, Tamil Nadu, India and is well known to all Hindu believers in Malaysia. As such, Mr Saha Deva submits that SP name is a geographical name which cannot be registered as a trademark under s 10(1)(d) of the TMA. Reliance has also been placed by the defendants on s 14(1)(d) and (f) TMA.

F

G [85] Firstly, s 14(1)(f) of the TMA applies to goods and not services. RTM Nos 760 and 761 concern Class 43 services and are not subject to s 14(1)(f) of the TMA.

H [86] Section 14(1)(d) of the TMA applies to ‘well-known trade marks’ within the meaning of reg 13B(a)–(f) of the Trade Marks Regulations 1997 (‘the TMR’) — please see *X1R Global Holding Sdn Bhd & Anor v Y-Teq Auto Parts (M) Sdn Bhd* [2016] MLJU 1249; [2016] 6 MLRH 41 at para [30]. The defendants have not adduced any proof that SP trademarks are well-known trademarks pursuant to reg 13B of the TMR. Hence, I cannot accept s 14(1)(d) of the TMA as a ground to remove RTM Nos 760 and 761 from the Register.

I

[87] I am not persuaded that SP name is a ‘geographical name’ under s 10(1)(d) of the TMA. Furthermore, I find as a fact that SP name has acquired distinctiveness under s 10(2), (2A), (2B)(a) and (b) of the TMA as follows:

- (a) SP name is inherently distinctive under s 10(2A) and (2B)(a) of the TMA because other traders are not likely, in the ordinary course of their business and without any improper motive, to desire to use SP name or some other trademark nearly resembling SP name, upon or in connection with Class 43 services — please see Lord Parker's judgment in the House of Lords in *The Registrar of Trade Marks v W&G Du Cros, Limited* [1913] AC 624 at pp 634–635; and A
 - (b) by reason of the long use of SP name by the first partnership (since 1987) and the first plaintiff (after the three assignments take effect on 30 August 2011), SP name is factually distinctive of Class 43 services offered by the first partnership and now by the first plaintiff. B
- C

I(4). No ground to expunge RTM Nos 760 and 761 from Register under s 45(1)(a) of the TMA

[88] As explained in the above Parts I(2) and I(3), there is no ground to remove RTM Nos 760 and 761 from the Register. D

I(5). Whether court should expunge RTM Nos 760 and 761 from Register under s 46(1) of the TMA

[89] Section 46(1)(a) and (b) of the TMA provide as follows:

s 46 Provisions as to non-use of trade mark

(1) *Subject to this section and to section 57, the Court may, on application by a person aggrieved, order a trade mark to be removed from the Register in respect of any of the goods or services in respect of which it is registered on the ground —* F

(a) *that the trade mark was registered without an intention in good faith, on the part of the applicant for registration or, if it was registered under subsection 26(1), on the part of the body corporate or registered user concerned, to use the trade mark in relation to those goods or services and that there has in fact been no use in good faith of the trade mark in relation to those goods or services by the registered proprietor or registered user of the trade mark for the time being up to the date one month before the date of the application; or* G

(b) *that up to one month before the date of the application a continuous period of not less than three years had elapsed during which the trade mark was a registered trade mark and during which there was no use in good faith of the trade mark in relation to those goods or services by the registered proprietor or registered user of the trade mark for the time being.* (Emphasis added.) H

[90] The court has a discretion to remove a registered trademark from the Register under s 46(1)(a) or (b) of the TMA. It is decided in *Tokai Corporation v DKSH Malaysia Sdn Bhd* [2016] MLJU 621 at paras [89]–[91], as follows: I

89. *On the assumption that there was no use in good faith of the registered trademark in*

- A** *relation to goods in Class 34 by the defendant during the relevant period, I will now consider the question of whether the court has a discretion not to remove the registered trademark under s 46(1)(b) TMA.*
90. *As explained above, s 26(1)(b) TMA 1938 (UK) is similar to our s 46(1)(b) TMA. Hence, the persuasiveness of English cases on this matter. In the English Court of Appeal case of J Lyons & Coy Ltd's Application (Hostess) [1959] RPC 120:*
- B**
- (a) Evershed MR (as he then was), at p 130;
 - (b) Romer LJ (as he then was), at p 134; and
 - (c) Ormerod LJ (as he then was), at p136
- C** — *had decided that the court had a discretion under s 26(1) of the TMA 1938 (UK) not to expunge a registered trademark from the Register for non-use by its registered proprietor. On the facts in J Lyons & Coy Ltd's Application, the Court of Appeal reversed the High Court's decision and exercised its discretion to expunge a registered trade mark from the Register for non-use by its registered proprietor.*
- D** 91. *I accept J Lyons & Coy Ltd's Application and hold that the court has a discretion under s 46(1)(b) of the TMA to remove or otherwise a registered trademark from the Register for non-use by its registered proprietor. Such a decision is supported by the following:*
- E**
- (a) *s 46(1) of the TMA employs the permissive term 'may'; and*
 - (b) *s 46(1) of the TMA is expressly made subject to, among others, the other sub-s in s 46 of the TMA. Section 46(2) of the TMA clearly confers a discretionary power on the court to refuse an application under s 46(1) of the TMA in the circumstances stated in s 46(2)(a) or (b) of the TMA. (Emphasis added.)*
- F** [91] The appeal to the Court of Appeal against the High Court's decision in *Tokai Corporation* has been withdrawn. *Tokai Corporation* has been followed in *Hyundai Motor Company v Sun Yuen Rubber Manufacturing Co Sdn Bhd* [2017] MLJU 700 at para [26](3)(d). The High Court's judgment in *Hyundai Motor Co* has been affirmed by the Court of Appeal.
- G**
- [92] This court exercises its discretion not to invoke s 46(1)(a) and (b) of the TMA due to the following grounds:
- H**
- (a) SP8, one of the first partners, had testified that the first partnership had intended for the first plaintiff to use SP trademarks and SP goodwill;
 - (b) the three assignments have been executed to assign absolutely SP trademarks and SP goodwill from the first partnership to the first plaintiff; and
- I**
- (c) the first plaintiff has used and continued to use SP trademarks for Class 43 services in the course of trade and in good faith.

J. WHETHER THE DEFENDANTS ARE ENTITLED TO USE SP TRADEMARKS A

J(1). Did the first partners consent or acquiesce to defendants' use of SP trademarks?

[93] I accept the evidence of SP8, one of the first partners, that the first partners did not consent or acquiesce to the use of SP trademarks by the defendants. Furthermore, the defendants are estopped by the second limb of res judicata doctrine from contending that the first partners have consented or acquiesced to the defendants' use of SP trademarks — please see the above sub-para 55(3)(c). B C

[94] Regarding payments made to the late Mr Gnanamuthu (allegedly received on behalf of the first partnership) by SD5 for the second defendant's use of SP trademark, I am of the following view: D

- (1) the defendants are barred by the second limb of res judicata doctrine from contending that the first partners had consented or acquiesced to the defendants' use of SP trademarks — please see the above sub-para 55(3)(c); and E
- (2) upon dissolution, the late Mr Gnanamuthu could not lawfully receive any payment on behalf of the first partnership from SD5.

J(2). Whether the first plaintiff has acquiesced to defendants' use of SP trademarks F

[95] I am of the view that since the judgment (Suit 1462), there cannot be any acquiescence on the first plaintiff's part to the defendants' use of SP trademarks. Firstly, the first plaintiff had to expend time, effort and expense to procure and execute the three assignments in India. Secondly, the first plaintiff was only entitled to register RTM Nos 760 and 761 under s 25(1) of the TMA when the three assignments took effect on 30 August 2011. Lastly, the defendants are well aware that by reason of the judgment (Suit 1462) (which held that the first partnership was the first user and owner of SP trademarks), the defendants have no right to use SP trademarks. Consequently, the defendants use SP trademarks at their peril (without legal and beneficial property in SP trademarks). G H

J(3). Is the first plaintiff estopped from denying defendants' use of SP trademarks?

[96] I cannot invoke the equitable estoppel principle in this case to bar the first plaintiff from enforcing its rights under the three assignments and subsequently, rights conferred by TMA regarding RTM Nos 760 and 761. Firstly, if the first plaintiff is estopped from enforcing the three assignments, RTM Nos 760 and 761, this is unjust to the first plaintiff which has expended I

A time, effort and expense to obtain the three assignments. Furthermore, it is inequitable to allow the defendants to invoke the equitable doctrine of estoppel when:

- B (a) the second defendant's two RTM's had been wrongly registered and had been expunged from the Register by virtue of the judgment (Suit 1462); and
- (b) the defendants did not do anything to obtain the assignment of SP trademarks and SP goodwill from SP8, Mr Ramu and beneficiaries.

C *J(4). Whether the defendants can rely on honest concurrent use of SP trademarks*

D [97] Mr Saha Deva submits that there has been honest concurrent use of SP trademarks by the first plaintiff and the defendants pursuant to ss 20 and/or 35 of the TMA. I reproduce below the relevant parts of s 20 and/or 35(1) of the TMA:

20 Concurrent use

E (1) Notwithstanding subsection 19(1), *in the case of honest concurrent use* or of the circumstances described in paragraph 6(4)(c) or of other special circumstances *which, in the opinion of the Court or the Registrar, make it proper so to do, the Court or the Registrar may permit the registration of more than one proprietor in respect of trade marks which are identical or so nearly resembling each other as are likely to deceive or cause confusion where the registration of the different proprietors —*

- F (a) is in respect of the same goods or description of goods; or
- (b) *in the case of at least one proprietor, is in respect of goods, and in the case of the other or others, is in respect of services closely related to those goods*, subject to such conditions, amendments, modifications or limitations, if any, as the Court or the Registrar, as the case may be, may think right to impose.

G (1A) Notwithstanding subsection 19(2), *in the case of honest concurrent use or of other special circumstances which, in the opinion of the Court or the Registrar, make it proper so to do, the Court or the Registrar may permit the registration of more than one proprietor in respect of trade marks which are identical or so nearly resembling each other as are likely to deceive or cause confusion where the registration of the different proprietors —*

- H (a) *is in respect of the same services or description of services*; or
- (b) *in the case of at least one proprietor, is in respect of services, and in the case of the other or others, is in respect of goods closely related to those services*, subject to such conditions, amendments, modifications or limitations, if any, as the Court or the Registrar, as the case may be, may think right to impose. ...

I 35 Rights given by registration

(1) *Subject to the provisions of this Act, the registration of a person as registered proprietor of a trade mark (other than a certification trade mark) in respect of any goods or services shall, if valid, give or be deemed to have been given to that person the exclusive*

right to the use of the trade mark in relation to those goods or services subject to any conditions, amendments, modifications or limitations entered in the Register. (Emphasis added.) A

[98] Firstly, the rights conferred by s 35(1) of the TMA on an owner of a registered trademark is subject to, among others, s 20 of the TMA. This is clear from the opening words in s 35(1) of the TMA, ‘Subject to the provisions of this Act’. B

[99] Secondly, s 20(1)(a) and (b) of the TMA apply to goods and do not apply to Class 43 services in this case. C

[100] I am not able to accept the defendants’ reliance on s 20(1A)(a) of the TMA. This is because there is no honest use of SP trademarks by the defendants due to the following evidence and reasons: D

- (a) the second defendant’s two RTM’s have been wrongly registered and have been removed by the judgment (Suit 1462); and
- (b) by virtue of the judgment (Suit 1462), the defendants know about the first partnership’s ownership of SP trademarks. Yet, the defendants did not attempt to procure the assignment of SP trademarks and SP goodwill from SP8, Mr Ramu and beneficiaries. E

J(5). Can the defendants acquire alleged local goodwill? F

[101] Mr Saha Deva submits that each SP restaurant (for the first plaintiff and defendants) has acquired alleged local goodwill. Firstly, any contention in support of the alleged local goodwill is barred by the application of the two limbs of res judicata doctrine — please see the above sub-paras 55(1)(c) and (2)(b). More importantly, to accept the defendants’ contention regarding alleged local goodwill is contrary to the exclusive statutory rights of the first plaintiff as the proprietor of RTM Nos 760 and 761 under s 35(1) of the TMA. G

[102] The then solicitors of the plaintiffs had sent a demand dated 20 May 2016 regarding the original action. The defendants replied to this demand through their solicitors in a letter dated 9 June 2015 (‘defendants’ reply’). The defendants’ reply did not allude to the alleged local goodwill. It is thus clear that any reliance on the alleged local goodwill by the defendants is an afterthought. H

K. TRADEMARK INFRINGEMENT (‘TMI’) I

K(1). Five elements of TMI

[103] Section 38(1)(a) of the TMA provides as follows:

- A** 38 Infringement of a trade mark
- (1) *A registered trade mark is infringed by a person who, not being the registered proprietor of the trade mark or registered user of the trade mark using by way of permitted use, uses a mark which is identical with it or so nearly resembling it as is likely to deceive or cause confusion in the course of trade in relation to goods or services in respect of which the trade mark is registered in such a manner as to render the use of the mark likely to be taken either —*
- B**
- (a) *as being use as a trade mark*; ... (Emphasis added.)
- C** [104] In the Federal Court case of *Low Chi Yong (t/a Reynox Fertichem Industries) v Low Chi Hong & Anor* [2018] 1 MLJ 175; [2017] 6 MLRA 412 at paras [35]–[37], Suriyadi Halim Omar FCJ has explained the following five elements of TMI under s 38(1)(a) of the TMA:
- D** (a) a defendant uses a mark which so nearly resembles the plaintiff's registered trademark as to cause a likelihood of confusion or deception ('likelihood of confusion/deception') between the consumers of the goods/services of the plaintiff and defendant ('first element');
- E** (b) the defendant is neither the registered proprietor nor the registered user of the plaintiff's registered trademark ('second element');
- (c) the defendant has used the mark in the course of trade ('third element');
- (d) the defendant has used the mark on goods/services within the scope of registration of the plaintiff's registered trademark ('fourth element');
- F** and
- (e) the defendant has used the mark in such a manner as to render its use likely to be taken either as being used as a trademark or as importing a reference to the plaintiff or the plaintiff's registered trademark ('fifth element').
- G**
- K(2). No TMI by SP Music and the third defendant*
- H** [105] I accept Mr Saha Deva's submission that SP Music and the third defendant have not infringed RTM Nos 760 and 761. This is because the fourth element is clearly absent regarding SP Music and the third defendant. SP Music and the third defendant (operates a grocery business) do not offer Class 43 services.
- I** *K(3). Whether the first defendant (as sole proprietor of SPPJ, RSPC, RSPK and RSPG), second and fourth defendants have committed TMI*

[106] I am satisfied that the first defendant (as sole proprietor of SPPJ, RSPC, RSPK and RSPG), second and fourth defendants have infringed RTM Nos 760 and 761 under s 38(1)(a) of the TMA. This decision is based on the following evidence and reason:

(a) the first defendant (as sole proprietor of SPPJ, RSPC, RSPK and RSPG), second and fourth defendants use SP trademarks ('the defendants' SP trademarks') in their restaurant business. There is a likelihood of confusion/deception because:

(i) a visual comparison between RTM Nos 760 and 761 on the one part and the defendants' SP trademarks on the other part reveals that all these trademarks have the same essential or distinguishing features, namely the words 'SRI PAANDI';

(ii) the pronunciation of RTM Nos 760 and 761 is confusingly and/or deceptively similar to the pronunciation of the defendants' SP trademarks;

(iii) RTM Nos 760 and 761 as well as the defendants' SP trademarks are used for the same Class 43 services, in particular the provision of South Indian 'Chettinad' cuisine;

(iv) the customers of the first plaintiff, first defendant (as sole proprietor of SPPJ, RSPC, RSPK and RSPG), second and fourth defendants are the same;

(v) the same idea or concept applies to RTM Nos 760 and 761 as well as to the defendants' SP trademarks; and

(vi) applying the 'general recollection test' as explained by Thomson LP in the Federal Court in *MI&M Corporation & Anor v A Mohamed Ibrahim* [1964] 1 MLJ 392 at p 394, a reasonable customer of Indian food with an average memory and an imperfect recollection, is likely to be deceived and/or confused between RTM Nos 760 and 761 on the one hand and the defendants' SP trademarks on the other hand.

In view of the above evidence and reasons, the first element is satisfied. It is to be noted that there are independent witnesses (SP1, SP6 and SP7) who have testified regarding the actual confusion between RTM Nos 760 and 761 on the one part and the defendants' SP trademarks on the other part;

(b) the second element is fulfilled because the first defendant (as sole proprietor of SPPJ, RSPC, RSPK and RSPG), second and fourth defendants are neither the registered proprietors nor the registered users of RTM Nos 760 and 761;

- A** (c) the first defendant (as sole proprietor of SPPJ, RSPC, RSPK and RSPG), second and fourth defendants have used and are still using the defendants' SP trademarks in the course of their trade. As such, the third element has been proven in this case;
- B** (d) the defendants' SP trademarks have been used by the first defendant (as sole proprietor of SPPJ, RSPC, RSPK and RSPG), second and fourth defendants within the scope of registration of RTM Nos 760 and 761. The fourth element is therefore satisfied; and
- C** (e) the fifth element is fulfilled in this case because the first defendant (as sole proprietor of SPPJ, RSPC, RSPK and RSPG), second and fourth defendants have used the defendants' SP trademarks in such a manner as to render their use likely to be taken either as being used as trademarks or as importing a reference to the first plaintiff or RTM Nos 760 and 761.
- D**

K(4). Whether the first defendant (as sole proprietor of SPPJ, RSPC, RSPK and RSPG), second and fourth defendants can rely on statutory defences against TMI

- E** [107] The defendants have relied on the following defences in s 40(1)(a), (c), (dd) and (f) of the TMA:

40 Acts not constituting infringement

(1) *Notwithstanding anything contained in this Act, the following acts do not constitute an infringement of a trade mark —*

- F** (a) *the use in good faith by a person of his own name or the name of his place of business or the name of the place of business of any of his predecessors in business;*
- ...
- G** (c) *the use by a person of a trade mark in relation to goods or services in respect of which he has by himself or his predecessors in business, continuously used the trade mark from a date before —*
- (i) *the use of the registered trade mark by the registered proprietor, by his predecessors in business or by a registered user of the trade mark; or*
- H** (ii) *the registration of the trade mark, whichever is the earlier;*
- ...
- (dd) *the use by a person of a trade mark in relation to goods or services to which the registered proprietor or registered user has at any time expressly or impliedly consented to;*
- I** ...
- (f) *the use of a trade mark, which is one of two or more registered trade marks which are substantially identical, in exercise of the right to the use of that trade mark given by registration as provided by this Act. (Emphasis added.)*

[108] Firstly, the defence in s 40(1)(f) of the TMA applies to an owner of a registered trademark. The first defendant (as sole proprietor of SPPJ, RSPC, RSPK and RSPG), second and fourth defendants do not own any SP trademark registered under TMA. Hence, s 40(1)(f) of the TMAs does not apply in this case.

A

B

[109] Secondly, the first defendant (as sole proprietor of SPPJ, RSPC, RSPK and RSPG), second and fourth defendants cannot avail themselves of the defence in s 40(1)(dd) of the TMA. This is because the first plaintiff has not consented, either expressly or impliedly, to the use of RTM Nos 760 and 761 by the first defendant (as sole proprietor of SPPJ, RSPC, RSPK and RSPG), second and fourth defendants. It is to be noted that s 40(1)(dd) of the TMA is based on consent (not acquiescence) of the owner of a registered trademark.

C

[110] Thirdly, no reliance can be placed by the first defendant (as sole proprietor of SPPJ, RSPC, RSPK and RSPG), second and fourth defendants on s 40(1)(a) of the TMA because:

D

(a) SP name is not:

(i) the name of the first defendant (as sole proprietor of SPPJ, RSPC, RSPK and RSPG), second and fourth defendants;

E

(ii) the name of the place of business of the first defendant (as sole proprietor of SPPJ, RSPC, RSPK and RSPG), second and fourth defendants; and

(iii) the name of the 'predecessor in business' of the first defendant (as sole proprietor of SPPJ, RSPC, RSPK and RSPG), second and fourth defendants. This is because the first partnership is not the predecessor in business of the first defendant (as sole proprietor of SPPJ, RSPC, RSPK and RSPG), second and fourth defendants; and

F

G

(b) by reason of the judgment (Suit 1462), the first defendant (as sole proprietor of SPPJ, RSPC, RSPK and RSPG), second and fourth defendants know about the first partnership's ownership of SP trademarks and yet the first defendant (as sole proprietor of SPPJ, RSPC, RSPK and RSPG), second and fourth defendants have not attempted to obtain the assignment of SP trademarks and SP goodwill from SP8, Mr Ramu and beneficiaries. Accordingly, I find as a fact that the use of SP trademarks by the first defendant (as sole proprietor of SPPJ, RSPC, RSPK and RSPG), second and fourth defendants is not in good faith.

H

I

[111] I am of the view that the first defendant (as sole proprietor of SPPJ, RSPC, RSPK and RSPG), second and fourth defendants cannot rely on

A s 40(1)(c)(i) and (ii) of the TMA. This is because s 40(1)(c)(i) and (ii) of the TMA envisage a lawful use of the trademark in question. In this case, the use of SP trademarks by the second defendant has been invalidated by the expungement of the second defendant's two RTM's. It is clear that the prior use of SP trademarks by the second defendant is unlawful and cannot fall within
B s 40(1)(c)(i) and (ii) of the TMA.

[112] As explained in above Part H(3), RTM Nos 760 and 761 can only take effect from 30 August 2011. In the circumstances, the first plaintiff can only claim for TMI of RTM Nos 760 and 761 by the first defendant (as sole proprietor of SPPJ, RSPC, RSPK and RSPG), second and fourth defendants with effect from 30 August 2011.
C

L. TORT OF PASSING OFF

D [113] One of the tests of passing off has been explained by Lord Oliver in the House of Lords in *Reckitt and Colman Products Ltd v Borden Inc and others* [1990] 1 All ER 873 at p 880 ('Lord Oliver's test') as follows:

- E (a) the plaintiff has goodwill attached to goods/services which the plaintiff supplies in the mind of the purchasing public by association with the get-up, brand name, trade description or features of labeling or packaging (which is distinctive of the plaintiff's goods/services);
F (b) the defendant has misrepresented to the public which leads or is likely to lead the public to believe that the defendant's goods/services are the goods/services of the plaintiff; and
(c) the plaintiff must prove that he suffers, or in a *quia timet* action, he is likely to suffer damage by reason of the defendant's misrepresentation.

G [114] Lord Oliver's test has been applied by Nik Hashim JCA (as he then was) in the Court of Appeal case of *Sinma Medical Products (M) Sdn Bhd v Yomeishu Seizo Co Ltd & Ors* [2004] 4 MLJ 358; [2004] 3 CLJ 815 at para [33].

H [115] Based on Lord Oliver's test, I am satisfied that the first plaintiff has proven on a balance of probabilities that the first defendant (as sole proprietor of SPPJ, RSPC, RSPK and RSPG), second and fourth defendants have passed off their restaurant business as that of the first plaintiff's. This decision is based
I on the following evidence and reasons:

- (a) the first plaintiff has SP goodwill attached to its restaurant business in the mind of the public by association with SP trademarks which is distinctive of its restaurant business;

- (b) the first defendant (as sole proprietor of SPPJ, RSPC, RSPK and RSPG), second and fourth defendants have misrepresented and continue to misrepresent to the public which leads or is likely to lead the public to believe that the restaurant business of first defendant (as sole proprietor of SPPJ, RSPC, RSPK and RSPG), second and fourth defendants are the same as the restaurant business of the first plaintiff ('misrepresentation'); and
- (c) the first plaintiff has suffered and continue to suffer damage and loss by reason of the misrepresentation.

[116] I find that the first plaintiff is only able to commence an action for passing off based on SP goodwill attached to its restaurant business with effect from 30 August 2011. This is because the first plaintiff has no legal and beneficial right to SP goodwill before the three assignments are effective on 30 August 2011. Hence, the first defendant (as sole proprietor of SPPJ, RSPC, RSPK and RSPG), second and fourth defendants are only liable for the tort of passing off to the first plaintiff with effect from 30 August 2011.

[117] In view of the commission of the tort of passing off by the first defendant (as sole proprietor of SPPJ, RSPC, RSPK and RSPG), second and fourth defendants:

- (a) SPPJ, RSPC, RSPK, RSPG, second and fourth defendants have to change their names to names which do not incorporate the word SP, SP trademarks and any other name which is likely to be deceptively or confusingly similar to the word SP; and
- (b) the first plaintiff is entitled to a perpetual mandatory injunction under s 53 of the Specific Relief Act 1950 to compel the first defendant (as sole proprietor of SPPJ, RSPC, RSPK and RSPG), second and fourth defendants to change their names as explained in the above sub-para (1) — please see *Sykt Faiza Sdn Bhd & Anor v Faiz Rice Sdn Bhd & Anor and another suit* [2019] 7 MLJ 175 at para [130].

[118] SP Music and the third defendant do not run restaurant business and have not thereby committed the misrepresentation. Hence, SP Music and the third defendant are not liable for the tort of passing off to the first plaintiff.

M. THE COURT'S DECISION

[119] A summary of the above decision is as follows:

- (a) the plaintiffs' claim against the defendants based on a tort of unlawful interference with the plaintiffs' business is dismissed because such a claim has

- A** not been pleaded by the plaintiffs in RSOC;
- (b) the second plaintiff failed to testify in this case and consequently:
- (i) the second plaintiff's claim against the defendants is dismissed; and
- B** (ii) RTM No 388 is expunged from the Register under s 45(1)(a) of the TMA;
- (c) the first plaintiff has not adduced any evidence regarding RTM No 759. Hence, RTM No 759 is removed from the Register pursuant to s 45(1)(a) of the TMA;
- C**
- (d) the two limbs of res judicata apply regarding the judgment (Suit 1462) to estop the defendants from contending that:
- D** (i) the defendants have a right to use SP trademarks and SP goodwill;
- (ii) the first partners had consented or acquiesced to the defendants' use of SP trademarks and SP goodwill;
- E** (iii) the defendants have acquired SP goodwill or alleged local goodwill; and
- (iv) when the first partnership was dissolved:
- (1) the unregistered SP trademark had ceased to exist at common law; and
- F** (2) SP goodwill was acquired by the second partnership;
- (e) regarding the three assignments:
- (i) based on SP12's expert opinion, the three assignments are valid under Indian law;
- G** (ii) the three assignments are lawful under Malaysian law;
- (iii) the three assignments have absolutely assigned the legal and beneficial ownership of SP trademarks and SP goodwill from SP8, Mr Ramu and the beneficiaries to the first plaintiff with effect from 30 August 2011 and not before;
- H** (iv) by reason of the three assignments, the first plaintiff is entitled to apply to register RTM Nos 760 and 761 under s 25(1) of the TMA; and
- I** (v) as the three assignments only take effect on 30 August 2011, the court exercises its discretion under s 45(1)(a) of the TMA to vary the effective date of RTM Nos 760 and 761 in the Register to 30 August 2011;
- (f) the defendants cannot expunge RTM Nos 760 and 761 from the Register

pursuant to s 45(1)(a) of the TMA because:

A

(i) the first plaintiff did not obtain the original registration of RTM Nos 760 and 761 by fraud; and

(ii) ss 10(1)(d), 14(1)(d) and (f) of the TMA do not apply in this case;

B

(g) on the facts of this case, the court declines to exercise its discretion under s 46(1)(a) and (b) of the TMA to expunge RTM Nos 760 and 761 from the Register;

C

(h) the defendants are not entitled to use SP trademarks because:

(i) the first partners and the first plaintiff did not consent or acquiesce to the defendants' use of SP trademarks;

(ii) the first plaintiff is not barred by equitable estoppel from enforcing the three assignments, RTM Nos 760 and 761 against the defendants;

D

(iii) there has not been an honest use of SP trademarks by the defendants within the meaning of s 20(1A)(a) of the TMA; and

(iv) the defendants cannot acquire the alleged local goodwill;

E

(i) SP Music and the third defendant have not:

(i) infringed RTM Nos 760 and 761 under s 38(1)(a) of the TMA; and

(ii) passed off their business as that of the first plaintiff's; and

F

(j) the first defendant (as sole proprietor of SPPJ, RSPC, RSPK and RSPG), second and fourth defendants:

(i) cannot rely on defences provided in s 40(1)(a), (c), (dd) and (f) of the TMA;

G

(ii) have infringed RTM Nos 760 and 761 under s 38(1)(a) of the TMA since 30 August 2011; and

(iii) passed off their business as that of the first plaintiff since 30 August 2011.

H

[120] Based on the above evidence and reasons, the following is ordered, among others:

I

(a) the original action by the second plaintiff against the defendants is dismissed;

(b) the original action by the first plaintiff against the first defendant (as sole

- A** proprietor of SPPJ, RSPC, RSPK and RSPG), second and fourth defendants is allowed as follows:
- (i) a declaration that with effect from 30 August 2011:
- B** (1) the three assignments had absolutely assigned the legal and beneficial ownership of RTM Nos 760 and 761 together with SP goodwill to the first plaintiff;
- (2) the first plaintiff is the sole legal and beneficial owner of RTM Nos 760 and 761 together with SP goodwill;
- C** (3) the first plaintiff is the registered proprietor of RTM Nos 760 and 761;
- (4) the first defendant (as sole proprietor of SPPJ, RSPC, RSPK and RSPG), second and fourth defendants have infringed RTM Nos 760 and 761; and
- D** (5) the first defendant (as sole proprietor of SPPJ, RSPC, RSPK and RSPG), second and fourth defendants have passed off their business as that of the first plaintiff's by using SP trademark;
- E** (ii) an order directing the Registrar to vary the effective date of RTM Nos 760 and 761 in the Register to 30 August 2011;
- (iii) a perpetual injunction to restrain the first defendant (as sole proprietor of SPPJ, RSPC, RSPK and RSPG), second and fourth defendants from:
- F** (1) infringing RTM Nos 760 and 761;
- (2) passing off their business as the business of the first plaintiff; and
- (3) representing in any manner an association or a relationship with the first plaintiff;
- G** (iv) a perpetual mandatory injunction to compel the first defendant (as sole proprietor of SPPJ, RSPC, RSPK and RSPG), second and fourth defendants:
- H** (1) to change or cause a change in their names which do not incorporate the word SP, SP trademarks and any other name which is likely to be deceptively or confusingly similar to the word SP;
- (2) on the election of the first plaintiff:
- I** (A) a delivery to the first plaintiff of all materials, articles and documents in any form relating to the use of SP trademarks ('infringing materials'); or
- (B) an order to destroy the infringing materials; and
- (3) to provide a full disclosure of all documents and information regarding the use of SP trademarks; and

- (v) on the election of the first plaintiff: A
- (1) an assessment of damages to be paid by the first defendant (as sole proprietor of SPPJ, RSPC, RSPK and RSPG), second and fourth defendants to the first plaintiff; or
 - (2) an account of profits to be paid by the first defendant (as sole proprietor of SPPJ, RSPC, RSPK and RSPG), second and fourth defendants to the first plaintiff; B
- (c) the original action by the first plaintiff against the first defendant (as sole proprietor of SP Music) and third defendant is dismissed; C
- (d) the counterclaim by the defendants is allowed with an order to expunge from the Register the following registered trademarks:
- (i) RTM No 388; and D
 - (ii) RTM No 759; and
- (e) subject to allocatur fee, the following order of costs is made:
- (i) the second plaintiff shall pay to the defendants one-fifth of the getting up fee assessed in this case ('getting up fee'); E
 - (ii) the first plaintiff shall pay to the first defendant (as sole proprietor of SP Music) and third defendant one-fifth of the getting up fee; and
 - (iii) the first defendant (as sole proprietor of SPPJ, RSPC, RSPK and RSPG), second and fourth defendants shall pay to the first plaintiff: F
 - (1) three-fifths of the getting up fee; and
 - (2) 70% of the out of pocket expenses incurred by the plaintiffs. G
- [121] In closing, I must thank all learned counsel for their able assistance in this highly contentious matter.
- Action allowed in part and counterclaim allowed.* H
- Reported by Izzat Fauzan
-
- I